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NEWS SUMMARY

GENERAL

Foot wins backing on leadership formula

Labour Party Leader Michael Foot won the backing of Labour MPs for his attempt to change the outcome of January's special conference on how the party leader should be elected.

The Parliamentary Labour Party voted by a big majority for a formula which would give MPs instead of the unions the biggest say in the process.

The vote will strengthen Mr. Foot's hand in arguing that the formula approved by the conference is unacceptable. Several big unions are already committed to changing the formula. Page 10

Test tour saved

Governments of Barbados, Antigua, Jamaica and Montserrat said England's cricket tour of the West Indies should be allowed to continue, but repeated their determination to isolate "the racist regime of South Africa." Page 4

Envoy shot dead

Gunmen shot dead a Turkish diplomat in Paris and wounded his Moslem priest companion. Paris police defused a letter bomb sent to the home of Le [illegible] editor Jacques Fauvet.

French poll move

Three French Cabinet Ministers resigned from their posts to organise President Valery Giscard d'Es[illegible]g's election campaign.

'Secrets' arrest

Dutch Defence Ministry employees [illegible] on suspicion of planning to sell secret documents to a foreign power.

Lebanon worry

Foreign Office, asked about recent Israeli raids on the Lebanon, said it was "increasingly concerned" at the infringement of Lebanese sovereignty.

Marches banned

Home Secretary William Whitelaw agreed to a police request for a ban on political marches in the Metropolitan Police district until March 31.

Riot acquittals

Three of the 12 defendants in the trial following last April's riot in St. Paul's, Bristol, were cleared at Bristol Crown Court of riotous assembly.

NHS fees to rise

Charges for National Health Service dental and optical treatment in England and Wales will rise from April 1.

Hostages freed

Hijackers of a Pakistani airliner with 148 passengers freed 26 women and children and one sick man at Kabul airport after Pakistan partially carried out terms for their release.

Thai crisis grows

Nine Thai Cabinet Ministers resigned, deepening the political crisis which is undermining Prime Minister Prem Tinsulanond's 11-month-old Government. Page 3

'Democrats' jailed

Three print workers in Taiyuan, northern China, have been jailed for forming a "Chinese Democratic Party" in opposition to the Communist government.

Briefly . . .

Shadow Consumer Affairs spokesman John Fraser urged an inquiry into whether space invader machines can cause epilepsy.

Three Malaysian Chinese were hanged in Kuala Lumpur for illegal possession of firearms.

Former South Yemen Minister Mohammed Saleh Mutea has been executed in Aden for working for Saudi Arabian intelligence.

BUSINESS

$ and £ weaker; gold falls by $8

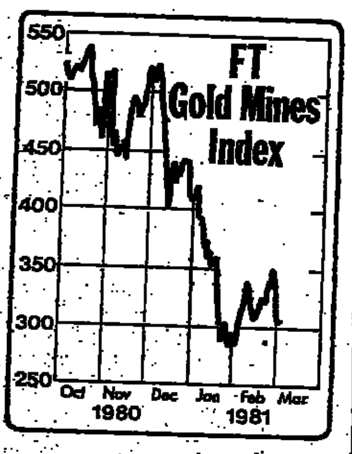
● DOLLAR weakened against most currencies, finishing at DM 2.1375 (DM 2.1525), and SwFr 1.9470 (SwFr 1.9810). Its trade weighted index fell from 101.3 to 100.6. Page 25

● STERLING fell 72½ points to close at $2.1988. It finished at DM 4.70 (DM 4.75) and FFr 11.0550 (FFr 11.1525). Its trade weighted index fell to 98.7 (99.5). Page 25

● GOLD fell $8 to $464.5. Page 25

● EQUITIES staged a technical rally but closed below the day's best 3.8 higher at 500.0. Page 36

● GILTS were firmer. The Government Securities Index finished 0.02 higher at 68.66. Page 36



● GOLD MINES index eased 0.4 to 305.9 following the decline in gold. Page 36

● WALL STREET was up 0.17 at 966.13 near the close. Page 34

● CHINA will issue its first overseas bond this summer in the form of a Y10bn (£22m) private placement in Japan. Back Page

● LONRHO changed its bid terms for The Observer to avoid a Monopolies and Mergers Commission reference. Back Page; Lonrho extraordinary general meeting, Page 24

● CREDIT CARD and traveller's cheque negotiations between European and American bankers face difficulties on a proposed common system. Back Page; Details, Page 27

● BL expects to shed between 20,000 and 24,000 more jobs in the UK in the next two years, reducing its workforce to about 100,000, Sir Michael Edwardes said. Back Page

● BLUE CIRCLE Industries announced a £33m expansion programme for its cement manufacturing operations in Chile. Back Page

● HOOVER will make 900 workers redundant at its Cambuslang, Scotland, Merthyr Tydfil, and Perivale, London plants. Page 8.

● ABITIBI-PRICE, the world's largest newsprint producer, recommended shareholders accept a bid from Olympia and York Developments. Page 26

● HEINEKEN, the Dutch beer and drinks group, reported 1980 net profits down 34 per cent at Fl 83.1m ($35m) but the dividend is unchanged. Page 26

COMPANIES

● CONSOLIDATED GOLD Fields reported net profits 25 per cent ahead at £47.7m for the six months to end-December 1980. Page 24; Lex, Back Page

● GENERAL ACCIDENT Fire and Life Assurance Corporation reported 1980 pre-tax profits higher at £92.3m (£86.5m), despite increased underwriting losses of £27m (£18.2m). Page 22; Lex, Back Page

● RANSOMES SIMS and Jefferies, machinery manufacturer, reported pre-tax profits of £2.32m (£2.86m) for the 53 weeks ended January 3, 1981. The dividend is maintained. Page 22

Reagan seeks boost of $32.6bn in spending on defence

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT Ronald Reagan yesterday gave concrete form to his hardline foreign policy rhetoric by proposing to increase the 1980-81 and 1981-82 U.S. defence budgets by a total of $32.6bn (£14.8bn) beyond levels planned by former President Carter.

By contrast he is asking Congress for nearly $50bn savings in the 1981-82 budget from virtually every category of non-military spending.

The Administration's switch of resources from domestic programmes to defence has sparked opposition from lobby groups and Liberal Democrats.

Mr. Reagan can probably count on the new Republican control of the Senate and a generally more defence-minded mood in the public to get his military spending requests through.

In appearances before the Press and the Senate yesterday, Mr. Caspar Weinberger, the Defence Secretary, said the Administration was asking Congress to raise the "total budget authority" for the fiscal year which ends on September 30 by $6.8bn and for the 1981-82 budget by $25.8bn to a record level of $222.2bn.

These increases include money for a new long-range manned nuclear bomber, for ships and aircraft to transport the rapid deployment force, faster U.S. development of the British Harrier jump jet, fitting two Second World War battleships with cruise missiles. They amount to a rate of military spending growing twice as fast as that of NATO allies.

Under the Administration's proposals, total budget authority would rise faster than annual outlays in the next two years as money is set aside for long-term projects. Even the outlays show a 7 per cent real increase to $158.6bn in this fiscal year and a 5.2 per cent rise to $184.8bn in the coming year.

Most NATO allies in Europe will be hard pushed or unable to meet this year the alliance guideline that calls for three per cent real increases in defence spending.

The Reagan Administration has dropped the public complaints made by the Carter Administration about European defence spending, but the disparity has been noted on Capitol Hill and Europeans can expect criticism as the U.S. defence budgets are passed.

The major boost in U.S. defence spending was vital to ensure the U.S. could take an unacceptable toll on any attacker and in the light of the continued Soviet build-up, Mr. Weinberger said. His defence department had had "very few denials" on its request to the President and Mr. David Stockman, the budget director who has been axing domestic social programmes.

Mr. Weinberger said the U.S. intended to put "a very substantial amount of resources" into its capacity to defend the Gulf oil routes and the Middle East — an area of enormous importance to the U.S. and, he stressed, its allies.

BRITAIN'S MILITARY capacity to act outside the NATO area is less than is generally realised, Page 6
Editorial comment, Page 20

Nigeria agrees $200m credits

BY PAUL CHEESERIGHT

MORGAN GRENFELL of London, at the head of a syndicate of international banks, yesterday signed loan agreements worth $200m (£91m) with the Nigerian Government to fund the completion of the Iwopin pulp and paper complex being built east of Lagos.

The signing opens the way for British companies to be awarded their biggest engineering and construction contracts in Nigeria since the nationalisation of British Petroleum 18 months ago.

Letters of intent have been issued to Land and Marine Engineering, the Liverpool subsidiary of Bos Kalis Westminster, the Dutch group, for the construction of an effluent treatment system and to Costain International for the construction of housing at Iwopin. These two contracts are worth $100m.

Two further contracts, also worth $100m, will be awarded for civil engineering related to the pulp and paper complex and for electrical and mechanical engineering services.

Costain is believed to be in a favoured position to win the first of these. Foster Wheeler World Services, one of the British members of a major U.S. contracting group, is thought to be a strong contender for the second.

The finance has been arranged in two parts. The first is a Eurodollar loan for $100m. The second is a long term UK export credit, also for $100m, backed by the Export Credits Guarantee Department and thus linked to the provision of British goods and services.

The funds, with an additional $50m from the Nigerian Government, will be used to complete the pulp and paper complex for Nigerian National Paper Manufacturing, which plans to produce 60,000 tonnes of paper and 100,000 tonnes of pulp a year for the domestic market.

The management of the project is in the hands of Birla Brothers, an Indian group. The co-operation between British and Indian interests is in line with the intentions of the Indo-British Economic Committee.

At a meeting of the Committee in Delhi in January, attended by Mr. John Biffen, the Trade Secretary, it was agreed that there was scope for Indo-British co-operation on projects in third countries.

At the same time, the involvement of British companies in Nigerian capital projects indicates the normalisation of commercial relations between Nigeria and the UK following a frosty period characterised by the nationalisation of BP.

Opportunity in Nigeria, Page 5

Bonn considers moves against steel subsidies

BY ROGER BOYES IN BONN AND GILES MERRITT IN BRUSSELS

CHANCELLOR Helmut Schmidt of West Germany will press at a European summit meeting later this month for a drastic scaling down of Government subsidies to steel industries in other Common Market countries.

His planned appeal was disclosed yesterday amid mounting pressure from the West German industry for levies on imports of subsidised steel from EEC members.

During the run-up to the summit in the Netherlands on March 23 and a Council of Ministers session called for March 26 to discuss the European steel crisis, urgent talks have been arranged between the Community's major steelmakers, EEC member Governments and the European Commission.

The Bonn Administration appears to be considering—if all else fails—a radical shift from its traditionally strong free-market principles.

Government officials said Bonn "understood" the demands of the German steel industry, although it would impose import levies only reluctantly.

In Brussels earlier this week, Count Otto Lambsdorff, the Economics Minister, held out the possibility that levies would be imposed.

European Community imports account for about 25 per cent of Germany's steel needs, a further 11 per cent comes from outside the EEC and the rest is produced by German companies.

Precarious

The central problem for German producers has been that prices—especially for coil and reinforcing steel — have fallen in the past two months. Earlier, prices firmed under the influence of production quotas imposed on European producers.

Many companies, some of which are in a precarious financial state, fear there will be a new price war and that they will lose out against heavily subsidised competition from other EEC members such as Britain, France and Italy.

The recent injection of State aid into British Steel and a planned $6bn capital aid to the Italian Finsider group have aggravated these fears.

Dr. Diether Spethmann, head of Thyssen, Europe's largest private steel concern, said the latest State boost to other European producers meant that EEC steel exported to Germany was subsidised at DM 100 (£21) a tonne.

However efficient German companies became by restructuring, it was impossible to compete effectively against such a subsidy, he claimed.

Dr. Spethmann, who is chairman of the German Iron and Steel Federation, said: "This DM 100 advantage has to be eliminated by a levy imposed at the border to maintain, at least to some extent, the future competitiveness of the German steel industry."

Some months ago Dr. Spethmann and other steel executives were urging an extension of the EEC's compulsory quota régime beyond June 30, the expiry date. Then prices began to drop and in January the steel industry asked Bonn to match other European subsidies. This appeal was rejected.

The industry wants some form of protection. Bonn seems willing to use the threat of import levies for tactical reasons, if not of conviction.

The March 26 meeting of Community Industry Ministers was set when this week's special steel council stalled over new controls on national subsidies.

The Ministers were able to issue a communiqué that reaffirmed an aid code adopted in February 1980, but Italian objections to this week's proposals for tough new controls on subsidies ensured that no real progress was made. The communiqué said no new national aids should be introduced after July 1, 1983.

Italian Government officials said in Brussels that they hoped Italy's examination of proposed aid schemes for the Finsider group would be completed by March 26.

Other member governments hope that decisions for linking aid to steel industry restructuring will then be possible.

After this week's warning by EEC Ministers and the Commission that the steel industry must reach a voluntary pact on new market disciplines by April 1, top executives of the major steel producers are expected to meet for talks in Luxembourg soon.

The Luxembourg meeting will be chaired by M. Emmanuel Tesch, head of Arbed of Luxembourg, and president of the Eurofer "club" that groups the major producers.

Meetings during the past five months have not produced agreement, but the way towards a voluntary pact is understood to have opened at negotiations at the end of last month.

Steel import controls urged, Page 8

£ in New York

—	Mar. 3	Previous
Spot	$2.2070-2090	$2.1750-1770
1 month	0.58-0.65 pm.	0.40-0.47 pm.
3 months	2.65-2.75 pm.	2.30-2.40 pm.
12 months	8.30-8.50 pm.	8.40-8.60 pm.

Budget initiative likely to cut industry power costs

BY JOHN ELLIOTT AND SUE CAMERON

THE FIRST STAGE of the Government's plans to lower the cost of electricity and other forms of energy to major industrial users is expected to be announced in Tuesday's Budget.

This will be followed by a detailed policy statement a week later by Mr. David Howell, the Energy Secretary.

But industrialists' hopes of a large cut in the £8-a-tonne heavy fuel oil duty may be dashed. There is likely to be considerable dissatisfaction with the extent of the Government's initiatives.

This follows a debate on energy costs at yesterday's meeting of the National Economic Development Council against a background of growing clamour in industry for rapid Government action. Both the Chemical Industries Association and ICI issued critical statements, and pressure is being exerted by the steel industry.

The council was presented with a report by a taskforce of Government and industry representatives detailing the cost problems.

The report points to disparities of up to 33 per cent and sometimes more with Continental electricity prices for bulk-users.

It says big consumers of gas in Britain pay up to 20 per cent more than those in European countries, while prices of foundry coke, used by the steel industry, are 30 per cent higher than on the Continent.

The report underlines the peculiarly high level of duty, £8 a tonne, on heavy fuel oil. It says that even before tax manufacturers paid more for fuel oil than Continental competitors for most of last year.

Ministers may seize on a claim at yesterday's council meeting that much of the heavy fuel oil problem has disappeared because of fluctuations in market prices.

The report forced the Government to retreat from its earlier insistence that there was no major problem. Mr. Howell accepted its findings and promised a statement within a fortnight, containing proposals "within the limits of public expenditure."

Leaders of the CBI and TUC arrived for the meeting suspicious that the Government intended to delay any moves until the task force's report had been verified by a Common Market inquiry now being set up.

Mr. Howell said that this was not so.

But the leaders of both sides of industry remained suspicious about how far the Government would go, and insist that a progress report be presented to the next council meeting in a month.

ICI, Britain's biggest chemical manufacturer, demanded "urgent" Government action. The group, which reported a 54 per cent slump last week in its pre-tax profits, said it would pay £500,000 a week more for electricity for chlorine production in the UK this year than in Germany.

Study confirms Britain pays more, Page 8
Editorial comment, Page 20

The rich grew richer in 1978

BY DAVID MARSH

THE SURGE in incomes in the last year of the Labour Government benefited high earners more than the worse-off sections of the population, according to Government figures published yesterday.

Even after taxation, which reduces the inequalities of income distribution, the wealthiest 10 per cent of the population maintained their position of receiving almost one-quarter of total personal income.

The figures for the 1978-79 financial year, contained in the Central Statistical Office publication, Economic Trends, challenge some of the basic assumptions of the present Government's policies on taxation and work incentives.

They show that people on low incomes fared less well in 1978-79 largely as a result of smaller increases in social security benefits compared with wages.

The Conservative Government has assumed that the better-off have been losing ground and has aimed to boost their incomes in the hope of restoring the appetite for work and entrepreneurial activity.

The CSO figures show that since the mid-1970s higher income groups have been steadily increasing their share of the nation's total personal income, both before and after tax.

Although no detailed figures are yet available, it is likely the trend has continued since the Conservatives came to power in May 1979. This is because tax changes have been designed to benefit disproportionately the better-off, while rapidly climbing unemployment, high wage increases and relatively low rises in benefits have further increased the income gap between rich and poor.

Comparing 1978-79 with 1977-1978, the average annual income of all tax units—married couples or individuals—increased by 14.2 per cent before tax to £4,110.

After tax, average incomes worked out at £3,420—an increase of 15.2 per cent and well ahead of the 8.3 per cent inflation rate that year.

Before tax, the 50 per cent of

Continued on Back Page

INCOME GROWTH AT DIFFERENT LEVELS OF INCOME

Income group	% increase 1977-78 to 1978-79 before tax	after tax
Top 1 per cent	9.8	14.2
Next 9 per cent	15.0	16.2
Next 40 per cent	15.3	15.6
Lower 50 per cent	13.0	13.9
All taxpayers	14.2	15.2

Source: Central Statistical Office.

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CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Bakers Hsld. Stores	128	+ 8
Barclays Bank	408	+ 6
Bardsey	30	+ 4
Beecham	165	+ 5
Burnett Hallamshr.	988	+ 45
Centreway Trust	130	+ 5
Currys	332	+ 8
Davies & Newman	150	+ 6
IMI	66	+ 3
Kitchen Taylor	137	+ 8
MDW	90	+ 17
Plessey	316	+ 4
Ransomes Sims.	156	+ 16
Sangers	56	+ 4
Smiths Inds.	297	+ 8
Unilever	488	+ 13
Wadkin	83	+ 7
Wettern Bros.	80	+ 12
Whitecroft	57	+ 5
Ultramar	510	+ 17
Cent. Pacific Mins.	235	+ 15
Gld. Mn. Kalgoorlie	320	+ 10
Kitchener Mining	155	+ 10

FALLS

Baker Elec.	25	− 18
Grindlays Bank	168	− 10
Pratt (F.)	114	− 6
Bond Crpn.	140	− 10

EUROPEAN NEWS

Rank and file ease pressure for change in Polish party

BY CHRISTOPHER BOBINSKI IN WARSAW

RANK-AND FILE Polish Communist Party members working for greater democracy inside the party have decided to tone down their campaign by postponing the first national meeting of the movement due to have been held next Monday in Torun, north-west of Warsaw.

The movement started in Torun last autumn, when a number of party cells in factories and at the university set up a "consultative committee" independent of the local party headquarters. Since then, the movement has spread to the large factories and major cities, like Poznan and Gdansk.

When the last party central committee meeting at the beginning of February failed to fix a date for the party congress, as it was supposed to, the Torun consultative committee issued a general invitation to Monday's action meeting. The letter said: "We must unite against the conservative part of the party bureaucracy."

The decision to postpone the meeting, which was to have co-ordinated action nationally, is a pratcical one. Monday's meeting could have been construed as a break with party discipline and establishment of a faction which is forbidden by party rules.

This could have provided the excuse for a full-scale offensive by conservatives in the leadership against the movement.

On the other hand, the fact that such a meeting is still planned provides an important argument in the hands of the moderates, who are also in favour of change inside the party.

AP reports from Warsaw: The Lodz chapter of Solidarity has proclaimed a strike alert over the sacking of five of its members, the first threat of its kind since Poland's strike lull began nearly two weeks ago.

The Lodz chapter confirmed a report of the alert announced by the union's Warsaw office and said it had the approval of Solidarity headquarters in Gdansk.

Peter Montagnon writes: Polish officials meet representatives of about 70 international banks in London this morning for talks on the country's pressing debt problem. The meeting is not expected to lead to any firm offers of finance.

Heavy oil burden for Greece

By Victor Walker in Athens

GREECE'S current account deficit rose 9.1 per cent last year to \$2.054bn (£933m), according to provisional balance of payments figures from the Bank of Greece.

Imports at \$10.769bn (£4.89bn) were up 6.5 per cent over the previous year. Some \$2.875bn of this was accounted for by crude oil. Excluding oil, the increase in the import bill was only 0.5 per cent.

This is attributed to four factors: a decline in demand caused by the recession; import restraints in effect for much of last year; destocking; and government tax measures discouraging car ownership.

Exports last year rose 3.7 per cent to \$4.078bn from \$3.932bn in 1979.

The Trade deficit widened to \$6.691bn, up 8.3 per cent from 1979 but this was largely covered by a 9.3 per cent increase in invisible receipts, from \$5.662bn in 1979 to \$6.191bn last year. These included \$1.787bn from tourism (up 7.5 per cent), \$1.821bn from shipping (up 19.9 per cent) and \$1.103bn from emigrants' remittances (a decline of 5.3 per cent attributed to recession abroad and a return of migrants from West Germany).

Doubts over Europe's space agency

BY DAVID TONGE

DISSENSION between leading members of the European Space Agency is casting doubts about its future. Discussion of a 10-year plan has had to be postponed. So little progress has been made in finalising a draft plan that the matter has had to be transferred from today's formal meeting of ESA's governing council to an informal meeting tomorrow.

Some countries now fear that so few projects will be agreed that the Agency's budget will have to be cut to the point where the organisation will have to be restructured completely.

Two of ESA's main projects are now coming to an end. These are the Ariane rocket, largely backed by the French, and a two-man laboratory, to be taken up by the U.S. Space shuttle, which is largely in West German hands.

Britain argues that the Agency should concentrate on satellites and telecommunications. A recent study carried out for the Department of Industry forecast that the world could spend at least £15bn on civilian space equipment, excluding launchers, in the next 10 years. About 10 times this amount could be spent on ground equipment.

France and West Germany, however, do not share Britain's view. Two years ago they abandoned an ESA plan to develop a heavy communications satellite and started their own joint operation. Now they want the 11-nation body to concentrate on scientific research.

There has been general agreement that the Agency's annual budget should be trimmed from the current \$690m to about \$560m, but the projects so far agreed add up to far less than this. "This will force a fresh look at the Agency," one British official warns.

Two factors have complicated the position. The first is that space has become a sphere of intense commercial competition. The second is that the U.S., which has co-operated with the ESA in the past, is now reducing funds for proposed joint projects such as the sending of satellites to study the sun.

Spanish police hold three in Basque region

By Robert Graham in Madrid

SPANISH POLICE said yesterday that they had detained three people in the Basque country who were allegedly involved in assassinations and connected with the extreme right.

Those held were alleged members of the Basque Spanish Battalion which has claimed up to 10 lives in the past year—mainly those of militant Basque nationalists.

This group on Tuesday claimed the killing of a Basque barman, and another attempted assassination at the weekend.

Dutch MPs want arms details

BY CHARLES BATCHELOR IN AMSTERDAM

THE DUTCH Government has come under pressure in Parliament to release more details of arms exports. MPs' lack of control over arms sales abroad has been highlighted by government approval of an export permit for the proposed delivery of two submarines to Taiwan and the sale by Fokker of six F-27s to Bolivia.

Members of the ruling Christian Democratic Party sided with the left-wing opposition parties in a discussion of arms export policies in the permanent Foreign Relations Committee. MPs pressed Mr. Chris van der Klaauw, the Foreign Minister, for Parliament to be given earlier warning of proposed sales.

Committee members protested that MPs have no opportunity to review arms sales in advance and only limited powers to react once a deal is announced. They called for more openness about the arms industry, pointing out that the U.S. Senate is informed in advance of export deals.

MPs also said they depended on information from the Swedish International Peace Research Institute (SIPRI) for details of the extent of Dutch arms sales. Mr. van der Klaauw said he was only prepared to consider providing information to Parliament on a confidential basis.

Dutch arms exports have been growing rapidly. According to Mr. Relus ter Beek, a Labour MP, sales rose to Fl 500m (£100m) in 1979 from Fl 130m the year before and further increases are expected in the next few years.

Mr. van de Klaauw said the Netherlands did not consider arms sales to be part of foreign policy, the Government merely responded to requests for export permits from industry.

Parliament is due to vote today on a motion condemning the proposed sale of the two submarines to Taiwan

Moscow meeting endorses the Kremlin's policy of standing still

BY DAVID SATTER IN MOSCOW

IF THERE was an elusive quality to the proceedings of the 26th Congress of the Soviet Communist Party it may have been engendered by the perplexing sight of a superpower standing still.

The past 10 days were full of speeches and meetings, but the relative lack of content only emphasised the sense of an underlying resistance to change.

Mr. Leonid Brezhnev, the Soviet President, assured the 5,000 cheering delegates that Socialism was "advancing steadily" and the Communist society promised for 1980 by Mr. Nikita Khrushchev, the former Soviet leader, would some day be reached.

His assurances seemed to carry little conviction, because it was clear as the Congress ended that the Soviet leaders had consciously decided to eschew internal political and economic reform, or any significant action to improve relations with the West, particularly the United States.

The Soviet economy is showing its lowest post-war growth, and food shortages are widespread. Impending shortages of men, land, and raw materials make improved efficiency over the next five years an urgent priority, but the Congress was presented with not a single significant attempt at economic reform.

Mr. Brezhnev, in his keynote speech, made several conciliatory gestures towards the West. He proposed a U.S.-Soviet summit meeting, and made eight military and political proposals for easing tension, of which only the one covered by military confidence-building in Europe seems to represent a step forward. He stood firm on the issue which first damaged relations: the invasion of Afghanistan.

A Soviet Party Congress is carefully stage-managed, but has symbolic significance because a Congress is the logical place to announce major changes. The absence of changes at the 26th Party Congress indicates that existing tendencies in internal affairs can probably be extrapolated over the next five years.

The most crucial area for the West where major internal changes could have been made, but were not, was the economy. The running-down of the centralised system established by Stalin will probably lead to a decline in living standards during the next five years.

Mr. Nikolai Tikhonov, the Soviet Prime Minister, in his report to the Congress on the 1981-85 five-year plan, which set the lowest growth targets since the war, announced several measures to improve efficiency. These included quotas on energy use, greater mechanisation in loading and transport, and eventual revisions in the wholesale price index to spur technical innovation and reduce waste.

The Soviet Union is the world's largest oil producer, but is estimated to consume four times as much energy for each unit of national income as the countries of the European Community. This is attributable to a system in which factory directors lack independent responsibility, but must carry out a set of instructions with a single goal: to maximise gross output.

In the end, the system produces economic irrationality. Resources are squandered to increase the "value added" to production, trains are routed between distant cities to build up mileage, and production is rewarded irrespective of quality.

Both Mr. Tikhonov and Mr. Brezhnev issued calls for greater efficiency, but neither could have mentioned, least of all at the Congress, the underlying sources of economic inefficiency which, like the tendency towards an increasingly rigid ruling elite, are rooted in the structure of Communist Party power.

The local party organisation is all-powerful in its region, and fulfils the same co-ordinating and organising role in Soviet society that the "invisible hand" of the free market performs in a capitalist society. It is the party organisation which sorts out conflicting claims of factory directors and, in dire emergency, commandeers a thousand steel workers to help to bring in the harvest.

In turn, local party organisations are obliged to direct the economy in conformity with the Politburo's political decisions and, of course, to back unswervingly whatever decisions the Politburo makes.

The kind of economy this system creates is inefficient, but is kept entirely under party control. Any purely economic reforms which allowed factory directors to make independent decisions might increase productivity, but would also weaken that control.

France has big deficit on current account

By Robert Mauthner in Paris

FRANCE had a current account deficit of FFr 31.1bn (about £2.8bn) last year, compared with a surplus of FFr 4.9bn in 1979, according to the final balance of payments figures for 1980 published by the Economics Ministry.

The trade balance also deteriorated sharply last year, when the shortfall rose to FFr 50.5bn from FFr 8.3bn in 1979. Customs figures, which include transactions that have not been paid for, such as civil engineering equipment used by French companies abroad, show an even bigger deficit of FFr 62bn.

A breakdown of the balance of payments shows that the deficit is due essentially to the sharp rise in the price of imported energy, particularly oil.

France's energy balance deficit last year rose by as much as FFr 49bn—from FFr 83.8bn in 1979 to FFr 132.9bn in 1980.

But the price of oil was not the only reason for the deterioration in the balance of payments. The surplus in the industrial products sector was halved from FFr 35.6bn in 1979 to FFr 17.9bn in 1980, the result mainly of the slack domestic and international economic situation.

On the credit side of the balance sheet, the surplus on invisibles rose to FFr 19.3bn last year from FFr 13.2bn in 1979, while the surplus of agricultural and processed foods products increased from FFr 3.2bn in 1979 to FFr 11.7bn last year.

Italy's inflation falls

ITALY'S inflation rate fell slightly in January, but consumer prices still rose by 19.4 per cent over the previous 12 months, writes James Buxton in Rome. The rate is expected to decline in the next few months as the tightened credit cqueeze and other government measures to cut demand take effect. However, most predictions for this year's rate do not go below 15 per cent.

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Intra-German trade leaps 18.7% to £2.5bn

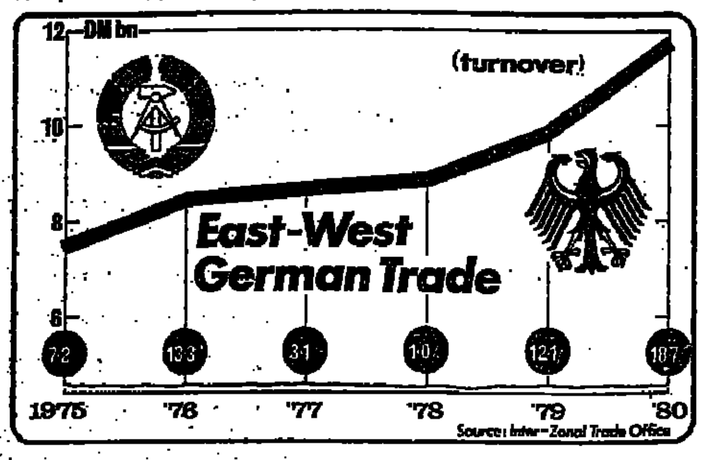
BY LESLIE COLITT IN BERLIN

TRADE BETWEEN East and West Germany rose by a record 18.7 per cent last year to DM 11.7bn (£2.5bn) despite a worsening of political and economic relations between the two power blocs. There had been worries in Bonn that the East-West political freeze would affect its economic ties with East Germany which it regards as one of its strongest links with the East Berlin Government.

West German exports to East Germany, at DM 5.8bn (£1.2bn), were up 15.4 per cent and imports from that country rose 22.2 per cent, also to DM 5.8bn. This balance in trade is the first for many years and it leaves East Germany with a DM 3.9bn cumulative trade deficit with West Germany, the same as at the end of 1979.

East Berlin's sharp increase in November in the amount of currency which West Germans must exchange to enter East Germany had no effect on trade. Since then, West German companies have won DM 400m in contracts for plant and equipment from East Germany. Bonn is hopeful that intra-German trade this year will remain largely immune from political influences because East Germany is seeking a renewal of its annual DM 850m interest-free swing credit from West Germany which expires at the end of this year.

An important contributor to the boom in East-West German trade was the sharp rise in the value of oil which the two countries trade with each other under a long-term agreement. The value of West German crude deliveries to East Germany soared by 68.8 per cent to DM 588m last year; East Germany sent back DM 1.5bn worth of refined oil products, mainly to West Berlin. This was 20 per cent greater in volume than in 1979 and 34 per cent higher in value.



East Germany was also able to boost its shipments of chemicals to West Germany by 50 per cent in both quantity and value to DM 652m. Its deliveries of mechanical and electrical engineering goods and boats, at DM 652m, were 50 per cent higher, too. By contrast, traditional East German exports to West Germany, such as agricultural products, rose only 2 per cent to DM 624m, while textiles were up only 6.2 per cent to DM 713m.

Capital goods deliveries by West Germany to its eastern neighbour increased 11 per cent to DM 1.25m and chemicals exports were 7.7 per cent higher at DM 889m.

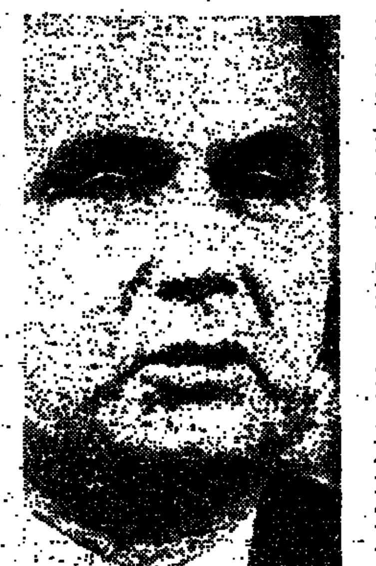
The fuel price is going up despite intense lobbying, writes **Roger Boyes** in Bonn

Lunch-time warriors lose the petrol tax battle

HAVING FOUGHT to the very last expense account lunch, an unholy alliance of trade unionists, oil company executives, farmers and industrialists have conceded defeat and abandoned their crusade against higher petrol taxes. From April 1, normal grade petrol will go up by at least seven Pfennigs a litre and diesel tax will also increase.

On the face of it, an unspectacular piece of legislation. Yet not since the 1960s—when swarms of U.S. aerospace executives arrived to sell West Germany a new fighter aircraft — has Bonn witnessed such intensive lobbying, such resolute buying of cocktails for thirsty politicians. In the event, the Bonn Government has managed to push through the legislation, but only with the help of considerable guile from Herr Hans Matthoeffer, the Finance Minister, some subtle packaging, and fast thinking at committee level. Perhaps the most decisive factor was the portrayal of Mrs. Margaret Thatcher—or rather her bruising campaign to secure a broad balance in Britain's contribution to the European Community budget—as the root cause of present evils.

Resistance to increases in petrol tax has long been anchored in the West German psyche, or at least that part of it which inhabits the fast lane of the Autobahns. West Germany, of all the major European countries, has by far the lowest share of tax in its petrol price—well under 50 per cent. But while an increase became more and more of a logical option as a revenue raiser and as a way of stifling energy consumption, the Government could never be sure of getting the legislation through. The Christian Democrat Opposition was firmly against it, and some Social Democrats (often with union loyalties) and Free Democrats (with small business interests at heart) could well have rebelled.



'Mr. Matthoeffer sometimes seems, like Nero, doomed to eternal unpopularity'

Certainly the activities of the various powerful lobbies in West German politics and industry suggested that the social climate was against interfering with the price of petrol. This is how the interest groups have been arguing:

- The unions accuse Bonn of wanting to saddle their members with higher petrol prices at a time when employers are trying to keep wages down to between 2.5 to 3 per cent. The new tax, its effect on disposable income and inflation, has become an important weapon in the current wage negotiations. The unions also maintain that with unemployment at 1.3m and rising, workers' mobility has become of prime importance.
- The motor industry and the powerful automobile associations stress that the tax will penalise the car producers, who are already having great problems—some 79,000 more car workers were put on short time in January.
- The oil companies point out that the weakness of the Deutsche Mark against the dollar has already wiped out their profit margin and a new tax increase would compound the problem, stifling demand and putting pressure on the fairly precarious financial state of the petrol stations. Moreover, they say, the tax increase will show the Organisation of Petroleum Exporting Countries that eWst Germany is quite capable of shouldering even higher oil costs.
- The Opposition Christian Democrats have been emphasising that to raise revenue in this way is bad house-keeping. Herr Matthoeffer should be cutting outgoings—state subsidies, for example—rather than burdening the consumer and pushing up inflation. The farmers, meanwhile have been complaining about the raising of diesel oil tax by three pfennigs a litre, which coincides with the end of certain fuel subsidies for the agriculture sector. The Government, they say, is piling more costs on the farmers and yet at the same time trying to hold down agricultural prices.

The strength of these lobbies illustrates just how difficult energy-saving legislation has become although, with the largest current account deficit among the Western industrialised countries, some method of stifling oil consumption has become vital.

The lobbies have been operating with quite remarkable tenacity. The unions have been using not only the wage round but also their considerable influence with union-sponsored Social Democrat deputies, mainly from the industrialised Ruhr. The oil companies started mildly enough, with letters to energy experts inside Parliament, but since October have stepped up their campaign, using news conferences and conveyor belt lunches with politicians. The farmers have incorporated their dissatisfaction into demonstrations for higher farm product prices. Business association representatives testified before the parliamentary finance and transport committees, in an effort to sway the Government away from the legislation.

This massive lobbying effort draws its essential force from public discontent at the prospect of petrol costing more than DM 1.50 a litre. This is described by the West German Press as a psychological threshold beyond which the motorist will revolt and presumably start walking. Last year the psychological threshold was DM 1 a litre: thresholds in fact seem to be infinitely elastic.

How then has Herr Matthoeffer—who sometimes seems like Nero, to be doomed to eternal unpopularity—managed to win through?

In the beginning, there was Margaret Thatcher. Her successful campaign to secure a broad balance in Britain's contribution to the European Community left West Germany with an additional bill of DM 2.5bn (£526m) for 1980 and 1981.

Herr Matthoeffer grudgingly accepted the Community compromise last summer, but within days he had converted the embarrassing financial burden into political advantage. With only four months before the October elections, he gave the largely Christian Democrat-controlled provincial states a stark alternative: either they help him finance the bill (through, it was mooted, a new tithe to be known as the Thatcher Pfennig), or else he would raise petrol and alcohol tax. The states refused (most had already over-spent their budgets), but the Christian Democrat opposition could not use the prospect of a new petrol tax increase, a potent vote-exterminator, as an election issue. Somehow, Herr Matthoeffer had made the Christian Democrats partly responsible for the tax increase.

Herr Matthoeffer then followed up this remarkable sleight of hand with a Ministry meeting the week after the October election: instead of a three Pfennig increase on petrol tax it would be increased by seven Pfennigs from April. In the post-election daze, nobody seemed to notice.

The Christian Democrats, the main orthodox political support for the lobbies, had thus been winded, and the interest groups had largely to fight their own battles. True, the legislation has twice been thrown out by the Bundesrat which, reflecting the political complexion of the state, has a Christian Democrat majority. But the Bundestag, the lower house, can now over-rule this. At the committee stage, the Christian Democrats also tried to block the tax increase, and despite a last-ditch lobbying offensive in front of the finance committee, the legislation was approved.

Now Herr Matthoeffer wants to follow up the increase with yet another rise, completely transferring motor car tax on to the price of petrol. Inflationary yes, but it would boost the car industry and push forward the war against oil consumption. This time, the Christian Democrats are more alert, the lobbies better prepared, and it remains to be seen whether another petrol tax rise will survive a fresh bout of lunch warfare.

Bremridge takes Hong Kong finance post

By Kevin Rafferty in Hong Kong

MR. JOHN BREMRIDGE, who retired only recently as head of the Swire group, will take over as Hong Kong's Financial Secretary in June, the first time that a private-sector businessman has taken the colony's leading financial post.

Mr. Bremridge's appointment, the subject of wide speculation, was announced yesterday as part of a series of reshuffles of the top jobs in Hong Kong. Sir Philip Haddon-Cave, the present Financial Secretary, will move to the post of Chief Secretary before the end of the year, and Sir Jack Cater, the Chief Secretary, will go to London to be Hong Kong's Commissioner.

He will take on an expanded political brief in Whitehall and Westminster. The feeling in Hong Kong is that Britain, the mother country, does not always have the colony's best interests at heart.

The Financial Secretary-designate has a reputation of being a somewhat peppery character. He will take over at a particularly delicate time, as the authorities have set in motion a series of measures to bring greater discipline to Hong Kong's financial and business sector.

Fraser attacks envoy

MR. MALCOLM FRASER, the Australian Prime Minister, sharply criticised the Soviet ambassador here yesterday, accusing him of attempting to threaten Australia, AP reports from Canberra. Mr. Fraser said Mr. Nikolai Soudarikov had said that Australia could become a nuclear target because of its friendship with the United States.

Thailand crisis grows as more Ministers resign

BY DAVID HOUSEGO, ASIA CORRESPONDENT

THAILAND'S Deputy Prime Minister in charge of Economic Affairs, Mr. Boonchu Rojanastien, was amongst nine Cabinet Ministers who yesterday resigned in a squabble that is rapidly undermining the 11-month-old Government of Prime Minister Gen. Prem Ginsulanond.

The importance of Boonchu's departure is that it robs the Government of the man, who as a former president of the Bangkok Bank with close links to the business community, was called in by Gen. Prem to manage the economy through a difficult period of rising prices and flagging growth.

The growing crisis is also being closely watched by Thailand's partners in ASEAN because Thailand is the front-line state in the conflict with Vietnam. Inevitably the resignations have provoked speculation in Bangkok as to how long Gen. Prem himself can survive.

All nine Ministers were members of the Social Action Party, one of the key members of Gen. Prem's coalition Government. It has been involved in a quarrel with another partner in the coalition, the Thai Nation Party, over alegations of corruption in the negotiation of oil contracts.

The Social Action Party, under the control of former Prime Minister Kukrit Pramoj has 82 seats in the 301 seat National Assembly, making it the single largest group.

Serious signs of the crumbling of Gen. Prem's coalition emerged on Tuesday, when three other Ministers resigned, allegedly to give the Prime Minister a free hand in reconstituting his Government.

Gen. Prem . . . Government under threat

Gen. Prem said, through a spokesman yesterday, that he would announce a new Cabinet within the next week. But the crisis reflects growing disappointment with the Government's performance in failing to control inflation or carry through its programmes for redistributing wealth in favour of the rural areas.

Many of the Government's budgetary and balance of payments difficulties stem from the rise in oil prices.

Mr. Boonchu's economic team was largely responsible for a number of major reforms of the Thai economy, many of them in line with recommendations of the World Bank and other outside bodies. These included the lifting of price controls on numerous basic commodities, and long overdue rises in petrol prices.

Iraq likely to go on offensive if peace moves fail

BY PATRICK COCKBURN

IF THE Islamic peace seeking mission, which returned to Baghdad from Tehran yesterday, fails to end the Gulf war Iraq is likely to launch a major offensive against Iran within the next two months when the rainy season ends.

Its aim will be to show that the Iraqi army has not shot its bolt in the attritional warfare of the last four months and to puncture Iranian optimism on a successful outcome to the war.

Since the beginning of the conflict in September the key condition for peace laid down by Iraqi President Saddam Hussein has been the return of small enclaves of Iraqi territory ceded to the Shah under the terms of the 1975 Algiers agreement.

The ceasefire now being discussed, which fudges the issue of the final delineation of the border between the two countries would, however, probably be acceptable in Baghdad.

President Saddam Hussein has repeatedly stressed in the last two months that he has no wish to humiliate Iran, but to retain sovereignty over the areas lost in 1975. Although the possibility of a ceasefire is now being considered more seriously in Tehran it remains unlikely that Ayatollah Khomeini or President Abolhassan Bani-Sadr would agree to the loss of any Iranian territory.

Initial Iraqi hopes that the offensive they launched in September would destabilise Ayatollah Khomeini were dissipated during the siege of Khorramshahr in October. Since then ... have lost an estimated ... dead and 15,000 wounded ... have not taken any large ... Their aims are now more limited.

They need, however, to be able to end the war having made some territorial gains. These are in two key areas: the strip of territory, including important passes, in the hills between Qasr-e-Shirin and Mehran further south and the waters of the Shatt al Arab waterway.

Before 1975 Iranian vessels, including warships, had to fly the Iraqi flag and carry an Iraqi pilot when passing through the Shatt. In return for ending his support for Iraq's Kurdish rebels the Shah had the border moved from the high-water mark to the centre of the river.

Such small, and largely symbolic, gains are vital for President Saddam Hussein. He needs to be able to prove to the Arab world as a whole and to his own people that the Iranian revolution is not going to spread west and that Ayatollah Khomeini cannot advance his creed into other Islamic countries at the point of a bayonet.

Having personally identified himself with the war President Saddam will face some criticism at home for the limited gains he has won, but his grip on the army and internal security is almost certainly strong enough for him to crush any attempt to overthrow him.

A compromise peace with Iran now will diminish the Iranian capability in the future to stir up Iraq's Shiah community or the Iraqi Kurds. Ayatollah Khomeini's revolution will be confined within the borders of Iran which has always been a prime aim of the Iraqi leadership.


President Bani-Sadr . . . loss of territory unacceptable

Warships deal

THE ITALIAN Government has authorised the export of 11 warships worth £829m to Iraq, the state-owned shipbuilding company Fincantieri said yesterday, Reuter reports from Rome. The deal calls for delivery of four 2,500 tonnes Lupo Class frigates, six 600 tonne Corvettes, a Stromboli class support vessel and a floating dock.

Islamic mission continues 'until Gulf war is over'

BY TERRY POVEY IN TEHRAN

THE ISLAMIC Conference peace mission would "continue its shuttle visits between Tehran and Baghdad until a final solution (to the Gulf War) is reached, said Mr. Habib Chatti, its secretary.

The delegation returned to Tehran yesterday morning for meetings with President Abol Hassan Bani-Sadr, and the Supreme Defence Council, and later to attend midday prayers with Ayatollah Khomeini, Iran's revolutionary leader.

Mr. Bani Sadr, following overnight discussions with Mr. Yasser Arafat, the chairman of the Palestine Liberation Organisation, told the state news agency that two different types of ceasefire existed. One, which was not acceptable to Iran, left the invading forces in situ while negotiations took place. Another was to have a ceasefire just long enough to allow the enemy to withdraw and then for an international body to investigate.

Ayatollah Dr. Mohammed Beheshti, leader of the Fundamentalist Islamic Republican party and head of the country's Supreme Court told a Press conference yesterday that "Iraq must first clearly announce its intention to begin withdrawing at a specified time and there would be a provisional ceasefire while this is being done."

Dr. Beheshti, refused to join in the criticism of General Valiollah Fallahi, acting head of the joint Chiefs of Staff, who on Monday advocated just such a ceasefire. By making a distinction between the Iraqi-stated intention to withdraw and the completion of such a withdrawal, Dr. Beheshti has left some room for the mediators.

Mugabe warns Nkomo guerrillas

By Michael Holman in Lusaka

MR. ROBERT MUGABE the Zimbabwe Prime Minister yesterday warned the rival Patriotic Front (ZAPU) faction and its military wing Zipra that he would use "vicious methods" against them if they took to arms against his Government.

At the same time some 3,000 former guerrillas from both Zanla and Zipra started training for integration into the national army. The intake—with 1,500 men drawn from Mr. Mugabe's Zanla and Mr. Nkomo's Zipra—was the first since last month's fighting between the two groups in Bulawayo and the Midlands and also the first since Zipra commanders said they would refuse to send men to be integrated into the national force.

Mr. Mugabe, speaking in Parliament, claimed that there was still talk of revolt among some of Mr. Nkomo's followers.

Zimbabwe army officials are at pains to play down last month's fighting, which they say was confined to only three of the nine battalions in the integrated force. This week's intake will bring to 17,000 the total number of troops either in the new army or undergoing training.

Army officials reported that there were no signs that Zipra men had held back from the intake, although they resented the deployment of the white-officered former Rhodesian African Rifles who played a major role in restoring law and order during the recent fighting.

The all-white Rhodesia Light Infantry, as well as the Special Air Service, the Selous Scouts and the Grey Scouts have been disbanded.

The Joint High Command, under the chairmanship of Mr. Emmerson Mnangagwa, is answerable to the Prime Minister who also holds the Defence portfolio. It includes the Zanla Commander, Rex Nhongo, Zipra commanders Lookout Masuku and Dumiso Dabengwa, Lt.-Gen. Sandy Maclean of the former Rhodesian Army and Air Marshal Frank Mussel as well as Mr. Allan Page, the Secretary of Defence.

If the training programme, supervised by a 150-strong British military team, can continue at the present rate of 3,000 men a month, Zimbabwe will have integrated some 35,000 guerrillas who fought in the seven-year war by the end of September.

The rationale behind creating an army of over 50,000 for a country with 7m people, struggling to reconstruct a damaged economy, is that only by bringing guerrillas into a regular force can they be disarmed, and some ultimately demobilised.

In the wake of the Bulawayo killings, the Government promised to speed up the disarming process. But though at least one Zipra camp has subsequently surrendered its weapons, putting the promise into practice will be difficult.

Officials in both parties admit that the eight-week integration process is too short to overcome the 20-year-old division in the nationalist movement. The process is not helped either by politicians on both sides who make no secret of their animosity.

Administration plans El Salvador aid package

BY DAVID BUCHAN IN WASHINGTON

THE Reagan Administration is preparing an economic aid package for El Salvador "three or four times" the value of the $25m military equipment which it announced this week would be going to the Central American country.

Mr. Alexander Haig, the Secretary of State, informed Congress of this, partly to allay fearws by liberal Democrats and others that the Administration was taking a purely military approach to helping the ruling Salvadorean junta, thus risking another Vietnam.

There was a 'clear consensus" on the House of Representatives Foreign Affairs Committee, one Congressman said, on economic aid for El Salvador, but this collapsed on the Administration's decision to send 20 extra U.S. military advisers and $25m (£11.3m) of military hardware.

The Administration has sidestepped any liberal Democratic attempt to block the military aid by taking it out of a previously authorised emergency foreign aid fund.

The White House also claims that any attempt to invoke the 1973 war powers Act—legislation set specifically to prevent the U.S. gradually sliding into another Vietnam—would be irrelevant. Though the Act requires a President to consult Congress before committing U.S. troops abroad, the Administration says U.S. advisers will not be acting in any combat role.

President Reagan sought to stress this in a long interview on Tuesday night with Mr. Walter Cornkite, the retiring CBS anchorman; saying: "I certainly do not see any likelihood of us going in with fihting forces."

However, there was an embarrassed initial "no comment" from the White House yesterday in reaction to interviews carried in major U.S. newspapers with Sr. Roberto d'Aubuisson, a former National Guard intelligence chief and one of the leaders of El Salvador's Right wing.

Sr. d'Aubuisson said he thought the U.S. would not object if the Salvadorean military ousted the Christian Democrats from the junta.

Sr. d'Aubuisson made very clear that he favoured a return to pure military rule in El Salvador, denouncing the Chrisian Democrats, including President Jose Napoleon Duarte, as forming "the rightist sector of the Communist Party." He even hinted that such an attempt might be made this month.

"March will be an interesting month," he told U.S. journalists in answer to a question about another planned coup.

AP adds from Managua: Sr. Francisco Fiallos Navarro, the Nicaraguan Foreign Minister, said yesterday he asking the Nicaraguan ambassador in Washington to check on reports of Nicaraguan assurances to the U.S. that it would try to halt alleged armed shipments to left-wing guerrillas in El Salvador. The Minister said his office knew nothing of reports that the U.S. Secretary of State had received "some assurances" from the Nicaraguan Government that it would make such an attempt.

Canada to investigate oil pricing

By Victor Mackie in Ottawa

POSSIBLE price fixing by Canada's major oil companies will be investigated by the Federal Government's Restrictive Trade Practises Commission, Mr. Andre Ouellet, the Consumer and Corporate Affairs Minister, said yesterday.

A seven-year investigation into the allegations by the Bureau of Competition Policy recommends a public inquiry. Its seven-volume report, based on more than 300,000 documents seized from at least 14 oil and pipeline companies, was made public yesterday.

The report outlines alleged collusion among oil companies to fix prices and makes specific recommendations on how to halt the practice. Its findings will be submitted to the Restrictive Trade Practises Commission, a quasi-judicial body, which is expected to start public hearings within the next few months.

The original investigation was launched in 1973 after the Consumers' Association of Canada had charged that many of the major oil companies were involved in fixing prices at the gas pumps and monopolising the market.

Meanwhile Mr. Ouellet said the Government will proceed to revise sections of its Combines Investigation Act, which prohibits price discrimination. He said the changes would enable the Government to obtain more convictions and make it easier to prove conspiracy in cases where companies have violated the public trust.

Fed spends $4bn on DM support

BY PAUL BETTS IN NEW YORK

THE U.S. Federal Reserve spent $4.4bn (£2bn) in support of the Deutsche Mark in the three months to the end of January, with the central bank buying marks virtually every day by late January as the dollar continued to strengthen.

The total purchases of foreign exchange by the bank were the largest since the February-April 1980 quarter when the U.S. authorities bought $4.8bn of marks, yen and Swiss francs.

But, Mr. Scott Pardee, who heads the Fed's foreign exchange desk, said the U.S. central bank had made no systematic effort to support the West German currency and was responding to market conditions on a day-to-day basis. He suggested the Fed would pursue this approach in a foreign exchange market which was expected to continue to remain highly volatile.

He added that there had been no pressure from the Bundesbank for U.S. intervention as the West German central bank recoknised the limitations of such action in the foreign exchange markets.

As the dollar firmed, the U.S. authorities continued to buy marks in the latest quarter to repay debts and build balances, the New York Fed said yesterday. The New York Fed acts for the entire Federal Reserve system and the U.S. Treasury in foreign exchange transactions.

The Fed also disclosed that the central bank did not have any swap debt outstanding at the end of January for the second quarterly period in a row.

"By late January, market sentiment for the dollar became extremely bullish," Mr. Pardee said. "Markets became increasingly one way, with the dollar rising virtually every day."

He estimated gross market intervention, which represents total purchases and sales of currencies, during the latest quarter by major central banks at $21bn compared with $19bn in the previous quarter, and a record $38bn in the February-April 1979 quarter.

By the end of January, U.S. foreign currency reserves totalled $10.7bn, compared with $5.4bn at the end of July 198 and $7.2bn at the end of October 1980.

U.S. disowns call to drop SALT

BY OUR WASHINGTON CORRESPONDENT

THE STATE DEPARTMENT has formally dissociated the Administration from remaks this week by Mr. John Lehman, the young and hawkish Navy Secretary in the new Reagan team.

Mr. Lehman called for the U.S. to stop its informal compliance with nuclear arms limits in the now expired SALT-1 accord and the never ratified SALT-2 treaty. A department spokesman said Mr. Lehman was expressing a personal view and not official policl.

President Ronald Reagan, meanwhile, has said that some indication of better behaviour internationally by the Soviet Union, such as a withdrawal of troops from Afghanistan, would smooth the way to a summit with President Leonid Brezhnev.

But in a Tuesday night interview with retiring CBS anchorman Walter Cronkite, Mr. Reagan stressed that he was not making Russian troop withdrawals from Afghanistan a flat pre-condition for accepting the Brezhnev idea of a U.S.-Soviet summit.

Mr. Reagan has a colloknial, often somewhat loose use of language that frequently makes diplomatic precision and interpretation difficult. The President's words, for instance, on alleged Soviet-organised arms supplies to the El Salvador guerrillas have left it unclear whether such Soviet support for guerrilla movements could be left to the agenda of a summit, or whether, in the U.S. view, it must cease before a summit could be held.

But the Reagan Administration believes it has good reason to proceed on a summit with great caution. Mr. Reagan himself explained on TV that "you don't just call up (Mr. Brezhnev) and say: 'Yes, let's get together and have lunch.'" Washington first wants and needs to settle its strategic arms policy, as well as future trade relations with Moscow, before meeting the Russians.


Mr. Kirkland: economy programme "inequitable and short-sighted"

Reagan economy plan 'unfair'

By Our Washington Correspondent

THE TOP U.S. trade union leader yesterday told Congress that the Reagan economic programme was "inequitable, unfair and short-sighted" in that it would lead to more, not less inflation and unemployment.

Mr. Lane Kirkland, president of the AFL-CIO trade union federation, accused the Administration of failing in its constitutional duty to provide for the general welfare as well as the common defence.

"We believe the Federal budget should embody more than programmes and policies to achieve broad economic goals of reducing inflation, increasing jobs and restoring health to the nation's productive base," he told the House Budget Committee, though to most committee members that seemed enough for Mr. Reagan to start with.

The AFL-CIO is particularly upset b yMr. Reagan's plan to cut unemployment pay of various kinds at a time when unemployment is still about the 7.4 per cent mark, high by U.S. standards.

The President has specifically proposed a virtual phasing out of special compensation for workers who have lost their jobs because of import competition, a more selective targeting of Federal unemployment pay to only the hardest hit states, and tighter eligibility requirements for people to draw the dole.

The AFL-CIO is trying to mount a broad coalition against the Reagan budget cut plan which the federation hopes will restore its position at the head of the Democratic Party.

Mr. Kirkland in particular wants the AFL-CIO federation to play a greater role than in previous years, and certainly since 1972, in picking the Democratic presidential candidate.

Apartheid row fails to stop cricket tour

BRIDGETOWN, BARBADOS—The England cricket team was told early yesterday it could continue its West Indian tour after nearly a week of uncertainty following Guyana's decision to ban bowler Robin Jackman because of his contacts with South Africa.

The Governments of Barbados, Antigua, Jamaica and Montserrat said in a joint statement that the remainder of the tour should be allowed to continue as scheduled, although they reiterated their determination to isolate "the racist regime of South Africa."

Jackman, who joined the England team as a replacement for vice-captain Bob Willis, was ordered out of Guyana last Thursday because he had played and coached several times in South Africa.

England reacted by withdrawing from the second Test against the West Indies which had been scheduled to begin in Georgetown on Saturday, and flew to Barbados.

The England authorities then made it plain to their West Indian counterparts that they would not play anywhere where Jackman was banned.

After the West Indies Cricket Board indicated that it did not have the power to guarantee there would be no further political interference, a meeting was hastily convened among the four Caribbean countries where England has still to play.

Government representatives met in lengthy sessions on Monday and Tuesday to try and reconcile their firm stand against racism and sporting links with South Africa with their people's passionate love of cricket.

Although the meeting had agreed on a statement its issue was held up while the Jamaican Cabinet discussed the details.

The statement dealt in detail with the 1977 Gleneagles Agreement in which Commonwealth governments agreed to discourage sporting contacts with South Africa.

"The point of contention in the case of the tour of the England cricket team is whether sanctions should be invoked against those members of the team who played cricket in South Africa after the Gleneagles agreement," the statement said.

"The Gleneagles Agreement, however, does not deal with the question of sanctions against the nationals of other countries who engage, on an individual basis, in sporting activities in South Africa.

"The present case, raising as it does the 'third party principle,' must therefore be treated on its own merits.

"In view of this . . . the governments of Antigua, Barbados, Jamaica and Montserrat have jointly concluded that the remainder of the cricket tour would be permitted to continue as scheduled."

Reuter

Why the Western arms exporters are worried by the power of Japan

BY RICHARD C. HANSON IN TOKYO

TO THE dismay of Western arms exporters, Japan may be on the threshold of becoming a signficant military power.

The country's defence strategy calls for a gradual boost in spending on new weapons systems to the point where, around the mid-1980s, a substantial part of the burden of guaranteeing the nation's security will be carried by the Japanese themselves.

The full implications of this strategy for a nation which, until recently, had been regarded as no more than an amateur at the ultra-sophisticated arts of defence production, has only just begun to sink into the minds of Western military observers.

Japan's confidence in matters of defence production (as opposed to the wider issue of whether or not Japan itself is defensible against a full-scale attack) boil down to two assertions:

(a) Japanese civil technology, especially in electronics, is adaptable to defence production; and

(b) In some areas, Japan may actually out-perform the mature defence industries of the West in the not-too-distant future.

Neither of these assertions is invalidated by the fact that in many areas of defence production Japan lacks—and will continue to lack—the economies of scale which would enable it to compete with Western manufacturers of conventional arms on the open market. Competition on world markets is, as it happens, denied to the Japanese arms industry for another reason: arms exports are banned by a Government decree which is strictly enforced and which not infrequently leads to prosecutions of offenders.

The first thing that is likely to strike an outside observer is that, while the Japanese arms industry itself is something of a novelty, the names of those involved are strikingly familiar. Nearly half of all defence contracts in 1979 went to five companies: Mitsubishi Heavy Industries (MHI), Mitsubishi Electric (ME) (both members of the Mitsubishi group), Kawasaki Heavy Industries, Ishikawajima Harima Heavy Industries, and Toshiba Corporation.

The top 20 contractors include the bright lights in communications and computers (Nippon Electric and Fujitsu), one of the world's few surviving makers of flying boats (Shin Meiwa) and Nissan Motor which, besides making Datsuns, manufactures rocken engines.

The top defence producers appear, until fairly recently, to have been happy to maintain a low profile. Given the sensitivity of Japanese public opinion to defence issues. Mitsubishi Electric, which opted to begin defence production as early as 1953 (one year after the end of the U.S. occupation), still makes no direct reference to "defence" in its English language annual report (though having "radar and guidance systems" on the product list drops the hint). Its sister company, MHI, paid for its greater notoriety as a defence producer by having its Tokyo headquarters bombed by radicals in 1974.

The "patriotism" which apparently drove the Mitsubishi group and other Japanese heavy machinery makers to resume defence production on a limited scale in the early 1950s remained unrewarded for many years by Japan's Defence Agency, which is notoriously stingy in its defence procurement policies. The agency allows a nominal 5 per cent profit on what it determines to be the production cost of equipment ordered from Japanese companies. It is strict about paying for cost escalations (with the result that many Japanese defence producers lost heavily in the inflationary period following the 1973 oil crisis).

No less rigid is the Agency's policy on research and development. In a nutshell, this consists of making the private sector foot most of the bill with only fractional funding for "basic research" coming from the Government budget. R and D allocations in the 1980 defence budget totalled Y28.77bn (£60m)—about 1.3 per cent of total defence spending compared with the 10 per cent and 12 per cent shares taken by research spending in the U.S. and UK defence budgets.

All this has helped to make life difficult for Japanese defence manufacturers during the past couple of decades; yet the very fact that the industry is used to spartan conditions could help it to make the most of the new era now dawning in which arms production may turn out to be one of the high growth sectors of the Japanese economy.

For the first time since the war the defence budget for the coming fiscal year (starting April 1) will increase more rapidly than spending for social welfare. The 7.61 per cent increase, to Y2,400bn (about £5bn) is less than the Defence Agency originally requested (and far less than the U.S. spends) but still represents a strong commitment to defence, given Japan's current climate of fiscal austerity.

What may be of greater importance is the fact that, within the defence budget, the emphasis is weighted towards major hardware procurement. This will rise during the coming year by 17 per cent to Y460bn. Future annual increases in procurement expenditure could hit 20 per cent—enough for defence work to look extremely attractive to any Japanese company which has the right type of technology to get into the industry.

The prospect of a sustained and rapid increase in defence procurement over the next few years would not be of much value to Japanese defence makers if there were any risk of key armaments orders being placed abroad; but this appears unlikely for two reasons. The first is that the Defence Agency follows an unashamed "buy Japan" policy, even in sectors where foreign-made weapons are arguably more sophisticated and cost less.

The outstanding case in recent times of the Agency's loyalty to Japanese makers was its decision last year to purchase a short range surface-to-air missile developed by Toshiba for the defence of the Air Self Defence Force's airfields in preference to two well-tried Western missile systems, the British Rapier and the U.S.-European Roland.

Western defence experts have questioned the wisdom of using home grown technology such as the Toshiba TAI-SAG when a foreign product would probably have done more to enhance the country's actual defence capabilities (though it is argued that nobody knows precisely what those capabilities ought to be or whether Japan is, in fact, defensible against its only likely foe, the Soviet Union). The Japanese reply is that experience gained from building a missile is too important to pass up (even though Toshiba may have to tinker with its product for the next five years to eliminate teething troubles).

The stress on "learning by doing" which runs through all Defence Agency procurements policy leads on to the second cause for confidence in the future of the Japanese arms industry. This is that the industry appears to be making progress in the "dovetailing" of technology originally acquired for civilian purposes to meet the requirement of defence production.

There are already some instances of how such dovetailing could work. Toshiba, for example, has a "silicon on sapphire" microchip which would allow it to build a computer that could resist the neutron bombardment of an atomic blast—needless to say an important consideration for a defence computer.

The irony of Japan's new microchip-based defence technology is that the Ministry of International Trade and Industry, which has done more than any other government agency to promote its development, is also the agency responsible for policing the ban on arms exports. The arms industry has grown bolder recently in lobbying for a withdrawal of the export ban.

It argues that the potential overseas demand for Japanese arms systems is high and that the volume of defence production could be doubled if exports were permitted, thus allowing economies of scale which would benefit the Defence Agency (not to speak of using the excess capacity that currently exists in the industry).

Because of the pitfalls involved in a full-scale free market in arms, a more likely first step could be to allow Japanese companies to cooperate with U.S. and West European manufacturers in the development of new arms systems.

Whether the world is ready to welcome the idea of a resurgent Japanese defence production capability is a trickier question: but at least it would seem that at some stage in the not too distant future Japan may ... toward the "mask" of ...

Self-defence forces 'far below strength'

TOKYO—The former chairman of Japan's joint Chiefs-of-Staff, Mr. Goro Takeda, said yesterday he does not believe Japan can defend itself and will not have a "minimum defence capability" before 1985.

Mr. Takeda, a former Second World War bomber and fighter pilot who was Japan's highest-ranking military man until he retired two weeks ago, said the Japanese self defence forces are "far below", the level set by the 1974 long-range defence build-up plan.

The issue of Japan's allegedly inadequate defence will be a major topic when Prime Minister Mr. Zenko Suzuki, Japan's Prime Minister, visits Washington in mid-May for the first U.S.-Japan summit with President Ronald Reagan.

"I am not confident we can defend Japan," Mr. Takeda told a meeting at the Foreign Correspondent's Club. "The self-defence forces today are not sufficient." Japan had failed to develop a consensus on its defence policy, he said.

Mr. Takeda stirred controversy just before his retirement by saying that Japan should raise its defence budget from the present 0.9 per cent of gross national product to 3 per cent, consider instituting conscription, and review its "defence only" policy—all proposals which many consider violations of Japan's constitution. The constitution renounces the use of military force.

The Japan Socialist Party demanded in Parliament that Mr. Takeda be fired, but he had already asked to retire and had left the armed forces one day early.

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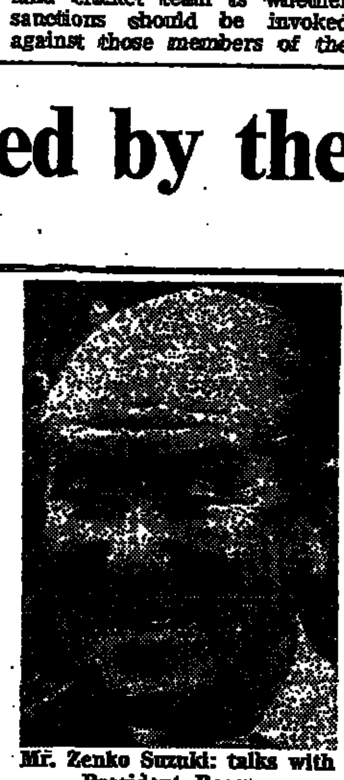
Mr. Zenko Suzuki: talks with President Reagan

Tokyo ministries vie over car talks with U.S.

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

AS JAPAN heads for a "peace agreement" with the American motor industry, war seems to be breaking out in Tokyo between the various ministries which would like to mastermind the negotiations.

The eventual settlement of the long-running dispute with the U.S. over Japan's allegedly excessive car exports is likely to be the most important international trade event of 1981.

The Ministry of Foreign Affairs, which represents Japan at the GATT and has overall responsibility for external relations, says it is the "legitimate channel" for the car talks with Washington. This is being strongly disputed by the powerful Ministry of International Trade and Industry (MITI).

MITI is, among other things, responsible for dealing with the domestic affairs of Japan's motor industry and can thus claim to be the only government body capable of inducing the industry to limit its exports.

In support of their claim to act as a "window" in the U.S. car negotiations, MITI officials are also arguing that any decisions on export restraint must be taken within the context of an overall plan for restructuring Japan's motor industry.

The car issue gains political significance from the fact that both MITI and the Ministry of Foreign Affairs see it as holding the key to smooth relations between the Reagan Administration and the present Japanese Government. Neither side, however, would probably have displayed so much interest in the issue if latent rivalry had not been building up between the two ministries over a period of several years.

MITI officials have been heard to accuse the Foreign Ministry of suffering from an "insecurity complex" derived from the fact that Japan has made little progress in developing political relationships with other nations (which tends to mean that the content of its international relations is mainly economic).

They also claim that senior MITI men with external responsibilities have greater understanding of and insight into international trade problems than their Foreign Ministry counterparts.

The struggle for bureaucratic supremacy between MITI and the Foreign Affairs Ministry has its counterpart in political manoeuvring amongst the men in charge of the two ministries. The MITI Minister, Mr. Rokusuke Tanaka, is a highly ambitous younger generation member of the ruling Liberal Democratic Party who apparently sees the car issue as an opportunity to make his name in the party.

His opponent, Mr. Masayoshi Itoh appears less ambitious on his own account but has been stubbornly standing up for the rights and privileges of the Ministry he heads. Both men, ironically, are members of the intra-party faction headed by Prime Minister Zenko Suzuki, but this fact seems to have done nothing to mitigate their rivalries.

Prime Minister Suzuki himself wishes to have no part in it. Mr. Suzuki is due to meet President Reagan in mid-May for the first U.S.-Japan summit under the new Administration, but has told his officials that, whatever else figures on the agenda for these talks, it should not be cars.

Mr. Tanaka appeared to have seized the initiative on the car issue early last week when MITI spokesmen allowed it to be known that their Minister had been "instructed" by Prime Minister Suzuki to "solve" the problem and that he would visit Washington in late March or early April for "final talks" on the subject. Mr. Tanaka's party opponents countered by hinting that this statement had been released without cabinet approval and that Mr. Tanaka had only his own authority for saying that he would go to Washington.

The scrapping over who should be given the job of solving the car export issue has detracted attention from the fact that the issue could, after all, prove extremely intractable. Specialists on the subject believe the U.S. may accept more Japanese cars, if the Government takes legal steps to control exports instead of relying on "administrative guidance" to exporters.

NATO to buy missile control system from Litton

BY JOHN WICKS IN ZURICH

LITTON INDUSTRIES has been awarded a $103m contract by the NATO Hawk Procurement and Logistics Organisation for the delivery of its AN/TSQ-73 Missile Control system.

This is a classified control system already used by the U.S. Army in connection with ground-to-air missiles of the Raytheon "Improved Hawk" type.

The NATO order foresees installations in France and Italy. As main contractor, Litton Systems International will cooperate with Sintra in France and Litton Italia in Italy as subcontractors.

The contract contains an option by which other member-countries, primarily Germany and Greece, could participate in the "Missile Minder" programme. In the case of installations in Germany, the local sub-contractor would be Litef of Freibourg/Breisgau in Switzerland.

The entire programme is being carried through in close co-operation with the NATO Hawk Management Office in Paris, according to Litton Industries in Zurich.

Italy seals $1.8bn deal for warships to Iraq

BY JAMES BUXTON IN ROME

ITALY HAS finally concluded its most valuable arms deal in recent years—the sale of 11 warships and a floating dock to Iraq for $1.8bn.

The deal, which had been under negotiation for more than a year, appears to have been signed in secret at the end of last year. Now the Italian Government has formally approved the export licence to Fincantieri, the state-owned shipbuilder.

The contract is for four LUPO class frigates, six 600-ton corvettes, a logistics ship and a floating dock. The warships will enable Iraq to upgrade its navy, presently consisting entirely of small Soviet-built ships, and bring it towards parity with Iran, with which it is still at war.

The deal was originally held up by the former Carter Administration in the U.S., which was reluctant to grant an export licence for the eight General Electric gas turbines required fort he LUPO frigates. This was finally forthcoming in January last year, but after two turbines had been delivered the licence was again put under review by the U.S. Administration following opposition in Congress. According to an official of Fincantieri the delivery of the remaining U.S.-made turbines, which will be assembled by Fiat, is assured.

The contract was originally to have been signed about the time of the outbreak of the Iran-Iraq war last September, but was delayed because of the prevailing confusion. With the long lead times required in defence contracts, the signing of the naval contract appears not to count as supplying arms to a combatant.

Iraq was Italy's biggest single supplier of oil before the outbreak of the war cut Iraqi oil exports.

UK coal exports 'will rise by 50% this year'

BY MARTIN DICKSON, ENERGY CORRESPONDENT

BRITAIN WILL export between 6m and 7m tonnes of coal this year, a rise of more than 50 per cent on 1980, Sir Derek Ezra, the chairman of the National Coal Board, said yesterday.

He told industrialists in Hamburg that shipments to West Germany would account for more than 1m tonnes of the total, compared with 500,000 tonnes in 1979.

The bulk of the coal imported to Germany from Britain went to the power generation market of the north-west coast, but power stations much further inland, south of the Mittelland Canal, were now seeking supplies from the UK.

Rising exports are helping the NCB's cash flow at a time when recession has bitten into its home market. However, international price competition means that the Board makes no profit on these sales.

Sir Derek said the UK was keen to supply German industry with coal both for process steam raising and space heating. The current congestion at U.S. coal ports and shortfalls in exports from Poland showed the need for Europe to keep its supply options open.

Nigeria's importance to Britain emphasised

By Our World Trade Staff

THE SIGNIFICANCE of the Nigerian market to the UK was emphasised yesterday when the Export Credits Guarantee Department announced that it would cover a £19m loan arranged by N. M. Rothschild of London for the Ondo State Government.

The loan is part of the financing for a contract won by Incotex to provide Nigerian Water Resources Development with materials and equipment needed to construct headworks, reservoirs, booster stations and pipelines for Ero River water supply.

In a further water development, the pipes division of TAC Construction Materials, a Turner and Newall unit, announced that it had received a £2.5m order for asbestos-cement pressure pipes. They will be used at a water scheme in Niger State by Aminci Commercial and Construction.

The UK has the largest share of the Nigerian import market, although the record in winning capital projects contracts is patchy. However, the variety of manufactured goods sold on the market is wide, extending to lottery tickets and lottery services.

Liberia presses ECGD to relax conditions

BY MARK WEBSTER

THE WEST AFRICAN state of Liberia is pressing the Exports Credit Guarantee Department to relax its present tight conditions for cover on exports to the country.

Dr. Togba-Nah Tipoteh, Liberia's Minister of Planning and Economics, said in London that he had appealed to the ECGD to relax its conditions in order to boost confidence in the country's economy.

The ECGD has insisted on an irrevocable letter of credit for all business with Liberia since the coup which toppled the head of state, Mr. William Tolbert, in April last year.

An official for the ECGD said the department was looking at ways of making the terms less stringent but that no decisions had yet been reached.

British exports to Liberia were worth more than £78m in 1979, thanks to heavy expenditure on the Organisation of African Unity conference in Monrovia. For 1980 exports were nearly £50m.

Dr. Tipoteh said drastic measures had been taken to restore order to the Liberian economy, but international confidence remained badly shaken since the coup.

He said the slower-than-expected recovery in trade was largely responsible for the $50m resource gap which the Government had to cover last year. Import duties were well below provisions and additional revenue had to be found through a compulsory savings programme.

The International Monetary Fund has drawn up a two-year stabilisation plan for the Liberian economy which came into effect from July last year. It will enable Liberia to draw $85m from the Fund in its first and second tranches.

Dr. Tipoteh said a national development plan should be ready by the end of the year which would concentrate on community-orientated projects. It would also offer special incentives for foreign investment which was labour-intensive, trained Liberians, and used local raw materials wherever possible.

UK companies given big business opportunity in Nigeria

BY PAUL CHEESERIGHT

THE LOAN agreements signed yesterday by the Nigerian Government, Morgan Grenfell of London and a group of international banks for the $200m financing of the Iwopin pulp and paper complex give British companies their best opportunity for major project business in Nigeria since the return of civilian rule in November, 1979.

Detailed financial and technical talks about how to complete the $685m complex, which was abandoned by the military government, started a year ago. A package was ready by Christmas, but the final impetus was given when Lord Carrington, the British Foreign Secretary, visited Lagos last month.

Iwopin, a greenfields site in the state of Ogum, abutting the lagoon to the east of Lagos, was at the beginning of last year a mess of machinery, of half-completed plant, the victim of swings in economic policy. Machinery had beeg bought, but no provision had been made to house it, or to house the workers.

Seeking to gear up the project again, the new Government fell back on the experience which had been gained at the country's two other pulp and paper complexes. The first, at Jebba, is managed by Birla Brothers, the Indian group, whose local manager has been resident in Nigeria for 15 years.

The second, at Calibar, is due to be commissioned at the end of this year. For this Morgan Grenfell, which has a permanent office in Lagos, arranged $100m of finance, and Foster Wheeler World Services, a subsidiary of the British unit of the U.S. contracting group, is providing the electrical and mechanical services.

The Nigerian Government, then, negotiated with Birla to provide the management and technical services for Iwopin and with Morgan Grenfell on the finance. The $200m loans which have been arranged will provide nearly all the funds needed to finish the project. The Government will have to find roughly another $50m to complete what has now become an expensive project.

The loan will cover four contracts. The first, for effluent treatment is destined for Land and Marine Engineering, the Liverpool subsidiary of Bos Kalis Westminster, the Dutch group. It has specialised marine knowledge, and, in the Iwopin case, the effluent will be taken out to sea.

The second is for housing, for which Costain International has a letter of intent. Costain was active at Iwopin before the military Government starved the project of funds.

The fact that the group is already on site makes it the favoured contender for the third contract, which covers the civil engineering related to the complex.

The fourth contract covers the electrical and mechanical engineering, for which Foster Wheeler World Services, on the basis of its work at Calibar, is a strong candidate.

Bids are now going in for the third and fourth contracts. German companies are said to be competing, but it is thought that they may be at some disadvantage in coming up with a financial package which can match that put in place by Morgan Grenfell.

Although $100m of the $200m loan agreement is a floating rate Eurodollar loan at ¾ per cent over LIBOR with a maturity of eight years, the other $100m is a project line of credit backed by the Export Credits Guarantee Department.

The loan brings Morgan Grenfell's medium- and long-term lending in Nigeria up to around $350m, roughly 80 per cent of the UK export credits in these categories.

Human rights court hears Government side

BY RAYMOND HUGHES IN STRASBOURG

THE FREEDOMS guaranteed by the European Convention on Human Rights do not incude a *right not to be compelled to join* a trade union, the UK Government argued yesterday.

Sir Ian Percival, QC, the Solicitor General, told the European Court of Human Rights in Strasbourg that Article 11 of the convention conferred positive rights only on individual workers.

It gave them a right to associate with others and to form and join trade unions for their own protection.

"Neither expressly nor impliedly does it confer a right not to associate, or not to join a trade union, or not to *be compelled to join a trade* union."

Sir Ian was presenting the Government's views on the case of three British Rail employees dismissed in 1976 for refusing to join a closed-shop agreement.

Last year the European Commission of Human Rights held that the dismissals were a breach of the convention by the British Government.

Sir Ian said there had been nothing to prevent the dismissed men—Mr. Iain Young, Mr. Noel James and Mr. Roger Webster — joining another union in addition to one included in the closed-shop agreement, or forming a new union.

The fact that BR would probably have refused to recognise any other union did not mean that the rights which the three were undoubtedly given by the convention were of no value.

If anyone had tried to stop them forming a union, it would clearly have been an interference with their convention rights.

If their employers had dismissed them, they would have been entitled to compensation for unfair dismissal, in spite of the restrictive provisions of the UK trade union legislation then in force.

Sir Ian denied there was any inconsistency in the present Government's attitude to the closed shop. While in Opposition it argued against the restrictive provisions of the 1974 and 1976 trade union legislation because it thought them unfair and unjust.

It stil held that view. However, the fact that the ligslation was objectionable and operated hashly on employees such as the three men was not the issue.

The point was whether the legislation failed to secure a freedom guaranteed by the convention. "The Government submits that objectionable though the provisions were, they did not violate any right in the convention."

The 1980 Employment Act could not help the three men, but it provided remedies for anyone in a similar position in the future.

Sir Ian said: "Of course, what happened to these men was disgraceful. We have always said so. Of course, it was a violation of a human right in the general sense of those words."

Paper and board imports take 51.3% of market

BY WILLIAM HALL

IMPORTED PAPER and board supplied more than half the UK market for the first time last year and the proportion is likely to increase substantially this year because many British mills have closed.

Paper and board imports fell by 5.6 per cent to 3.5m tonnes in 1980 but cosumption fell by 8.8 per cent to 6.8m tonnes.

As a result, the market share of imported paper and board, which costs £1.1bn annually, rose from 49.6 per cent to 51.3 per cent, according to figures published by The British Paper and Board Industry Federation.

Imports are destined to take about 60 per cent this year even if t here is no growth in demand.

Last year was one of the worst *for the UK industry. Production* fell by 9.6 per cent to 3.8m tonnes. Sixteen mills were closed and 44 paper machines were shut. Some 8,700 jobs were lost—a reduction of 15 per cent of the workforce.

Among the notable closures were Bowater's Ellesmere Port newsprint mill, Wiggins Teape's Fort William pulp mill and St. Aanne's board mills.

The drop in demand was less severe than in 1975, when output fell by a fifth, but the repercussions were much worse.

The strength of sterling made it difficult for UK producers of "commodity grades" of paper such as newsprint and carton-board to compete with imported products priced in dollars and produced by the large integrated paper-board mills of Scandinavia and North America.

One area which relatively well was the soft tissue manufacturers. They are not particularly vulnerable to competition and the market grew by about 1 per *cent to some 420,000 tonnes.* Another was the carbonless copying paper supplied by Wiggins Teape.

The other bright spot was on the export side. Overseas sales rose by 11 per cent to 466,100 tonnes.

Life savings taken to 'buy' Majorcan bars

UNSUSPECTING Britons were lured into spending their life savings on Majorcan refreshment bars and then left penniless abroad, unlicensed and without work permits, a court heard yesterday.

Michael John Norman, a 35-*year-old estates salesman of* Felindre Road, Pencoed, Mid-Glamorgan, was sentenced to 15 months imprisonment suspended for two years, after *admitting* five charges of obtaining money by deception, at Cardiff Crown Court.

He was also made criminally bankrupt for the sum of £17,000

Norman and Burns, partners in Intersun Estates, Insole Estates Overseas, and Provincial Estate Agents, were said to have advertised and obtained money from *prospective buyers of* bars in Majorca, without revealing the difficulties of obtaining work permits and licences.

The fraud was to charge purchasers more than the vendor was asking and pocket the difference.

Fraser may make bid for Stonefield Vehicles

SIR HUGH FRASER, former chairman of the House of Fraser storesg roup, has emerged as a Vehicles, the cross-country trucks company.

Prospective buyers have been given until Monday to make firm offers for Stonefield, which have been in the hands of a receiver since autumn.

Sir Hugh, who visited the company's factory in Cumnock, Ayrshire, on Tuesday *said he was acting for a syndicate* which also included Mr. Donald Player of Manor House Trust.

If the group *decided* to go ahead with a bid, he said, it would involve an investment of £3m-£4m in the company and the Fraser family would take a stake of about £750,000.

Stonefield is a subsidiary of the Scottish Development Agency, which has invested £4m in the company. *Its vehicle has* been widely acclaimed and approved by the Ministry of Defence, but has not sold enough to cover production costs.

Since autumn, Mr. William Brownlie, the receiver, has been trying to find a purchaser prepared to keep production in Scotland. Stonefield losses during this period have been met by the agency with Government conset.

Tozer Kemsley Milbourne, the international trading group, purchased an option to buy the company from the agency last summer, but after investigating the possible demand decided not to buy.

● Imports of the Romanian-built Dacia car—due to start this autumn—will be in kit *form, the importers, Tudor* Vehicle Imports, of West Yorkshire, has confirmed.

This will mean the creation of 400 jobs over the next three years to assemble the cars, according to Mr. Jack Wade, Tudor's managing director.

Tudor has acquired a 10-acre site at Brighouse, formerly occupied by Carington-Viyella, in an area of high unemployment. It hopes to employ some of the textiles workers who lost their jobs. "Our roots are in West Yorkshire, and here we intend to stay." said Mr. Wade.

Rolls looks for 11% increase in output

By Kenneth Gooding

ROLLS-ROYCE MOTORS expects to increase car output by about 11 per cent, from 3,163 last year to 3,500 this year, said Mr. George Fenn, managing director, yesterday.

At the Geneva Motor Show, he said the new Rolls' model range, introduced in Europe last autumn, had been well received and production had built up remarkably smoothly.

"More than 700 of the new cars have been built and delivered. Production at the Crewe plant is already more than 50 cars a week, and should rise to over 70 by the end of the year."

In the first six weeks of the year, Rolls' sales in Europe and the Middle East were 18 per cent higher than in the same period last year.

The new range, the Silver Spirit, Silver Spur, and the Bentley Mulsanne, is to be launched in the U.S. at the end of March.

Rolls will have a launch stock *of 90 cars and total sales in the* U.S. this year should be about 1,300, compared with 942 last year when the company did not completely escape the severe downturn in the American car market. Sales dipped by 6 per cent.

Ford head warns on Nissan plan

BY FINANCIAL TIMES REPORTER

THE INDUSTRY Department *should obtain clear undertakings* from Nissan of Japan about the European content of its cars if it sets up in Britain, Mr. Bob Lutz, Ford of Europe chairman, said yesterday.

He suggested some Cabinet Ministers had been "too euphoric" about the project. Ultimately it could cost jobs unless cast-iron guarantees were extracted from the Datsun group.

He warned that Ford will be forced to import components from "low-cost countries" if Nissan did not use a high proportion of European components.

Mr. Lutz, speaking at the Geneva Motor Show, outlined arguments Ford had put to the UK Government at several private meetings after Nissan said last month it was to start a four-month feasibility study and might set up a £275m (200,000-cars-a-year plant in Britain.

The group should be asked to lift the proportion of European components to 80 per cent by weight within two years, Mr. *Lutz said.*

The use of weights as a measurement would eliminate any possible distortions caused by transfer pricing—the price Nissan in the UK would be charged for products from other *parts of the group.*

He said verbal undertakings *by the Japanese* would not be strong enough. "No agreement would be a good agreement, unless it was set out clearly in writing before the project was started."

The written undertakings should be enforceable.

"If Nissan was allowed to bring in to Britain most of its components from Japan, it would make the UK manufacturers uncompetitive and would wipe them out, unless they took some action."

Ford has suggested to the Government that Nissan's predicted productivity rate of more than 40 cars a year per employee could be achieved only if the Japanese group concentrated mainly on assembly. Hence Ford's concern about component imports.

Mr. Lutz made it clear that the productivity at Ford's British plants — an average of seven cars per employee a year, compared with 15 in West Germany — caused the group great concern.

"Of course, we could not pull out of manufacturing in the UK because the effect would be to decimate our market share there. But the truth is that, when future investment has to be made by Ford, it will be found to go to the areas where there is higher productivity and *better labour relations.*"

PAYE tax bills '25% wrong'

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

MORE THAN a quarter of taxpayers' bills under the "pay-as-you-earn" system were found by the Inland Revenue to be wrongly assessed, claims the Consumers' Association in the latest issue of Money Which? magazine published today.

The Inland Revenue's internal survey found not only that a quarter of assessments were wrong but also that nearly one in eight PAYE codings were wrong, says the association.

Such a level of mistakes "shows why it is essent[illegible] taxpayers to check th[illegible] bills," it says.

The association advises pressing for fringe benefits as part of pay deals. "Under current tax rules many fringe benefits are tax-free or are valued by the taxman at much less than they cost your employer."

The association also points out that "if your work takes you abroad, try and plan trips so you work abroad for at least 30 days in the tax year—one-quarter of what you earn while abroad could be tax-free."

RAF buys airline's remaining VC-10s

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS has sold the RAF all the remaining 14 VC-10 jet airliners surplus to its needs. The price is reported to be "several million pounds."

The aircraft, with spares and engines, will be cannibalised and used by the RAF to keep its force of 13 VC-10 transports and nine VC-10 tankers in service through the 1980s.

The transports are flying regularly, while the tankers are still being fitted out by British Aerospace at Bristol. The RAF's problem was how to keep those aircraft flying for years to come. This has been solved by acquiring the rest of British Airways' VC-10s.

The airline had been trying to sell the aircraft for some time. At one stage, a deal with a South American airline was discussed.

The VC-10s have become surplus partly because of the inflow to its fleet of newer aircraft, such as Boeing 747s and Lockheed TriStars, and partly because of their increasingly costly fuel consumption.

For the RAF, the deal is a good one because for a cheap price it gets a substantial volume of spares and a wide range of components from the aircraft to be cannibalised.

It is not intended to fly any of the 14 aircraft being acquired on operational missions, although they are still in flyable condition. They will be stored at an RAF airfield and broken up as required.

Military capacity outside Europe 'too small for serious attention'

David Tonge examines the weaknesses of Britain's attack and defence role outside NATO.

BRITAIN'S military capacity to act outside the NATO area is less than is generally realised. On Saturday the Prime Minister, raised hopes and fears on this issue when she said Britain *would be prepared to take part* in the rapid deployment force being established by U.S.

She said Britain would "probably have certain groups ready to detach" for this.

A recent study* by the Centre for Defence Studies at Aberdeen University found that: "The number of regular troops that could reasonably be deployed outside Europe is too small to rate serious attention from either allies or adversaries."

It also said the real danger in most countries in vital regions is internal unrest or subversion and not external aggression which could be repulsed by force.

In last April's Defence White Paper the Government said it was considering certain improvements in the Services' worldwide capability. Since then, one parachute battalion has been kept at seven days' notice and a second is held in a parachute role.

Four types of mission were considered likely: reinforcing dependent territories such as Hong Kong or Belize; protecting UK communities abroad; supporting governments in "sparsely-populated countries in the Gulf or Commonwealth against a relatively low-level threat", and in support of a major U.C. operation.

All this was well after the Soviet invasion of Afghanistan and the growth of British fears over the security of the Gulf, but little has been achieved in carrying through the limited proposals then considered.

The first weakness identified in Whitehall was the relatively long time needed to drop a battalion. To reduce this from *one hour* to the *15 minutes* necessary in emergency required an estimated 1,000 hours of flying practice by crews.

But shortages of fuel have meant that this has not been possible, and cash problems have delayed plans to buy the radar systems needed in poor weather.

A second weakness was the lack of the necessary stockpiles of equipment; general over-spending by the Ministry of Defence means that this problem too has not been overcome.

Only in enhancing the RAF's air lift capability has some progress been marked. Here Britain's limitations were clearly shown a year ago during Zimbabwe's transition to independence.

The British forces involved had to be transported in U.S. planes, at a cost to the Exchequer of around £6m. But slowly a programme of "stretching" existing Hercules transport planes is being carried through.

The Ministry is waiting to see if the Prime Minister is preparing to follow the Reagan Administration's example and devote larger sums to defence.

But for the moment the British talk of increased emphasis on areas outside NATO has *not been matched* by any major shift in resources, other than that involved in stationing two frigates and two auxiliary ships in the Gulf.

All this is in contrast to America's proposed rapid deployment force. Critics of this have *long claimed that it* is not rapid and there is not much to deploy. They also point out that while the Soviet Union can fly a division into the Gulf at 12 hours notice the U.S. requires 14 days.

The previous administration was preparing to spend up to $25bn to improve America's capabilities over the next five years and the present one has confirmed that it is giving it a high priority.

"We will enhance our miliary presence in key areas outside Europe and our ability to project forces when and where our vital interests are threatened," Mr. Frank Carlucci, the U.S. Deputy Defence Secretary, said ten days ago.

It has not been finally decided where its headquarters will be but already some progress has been made in establishing the rapid deployment force. Its commander, Lt.-General Paul X. Kelley, now in a former Strategic Air Command bunker at MacDill airbase in Florida, can draw on more than 200,000 predesignated active duty personnel assigned to different commands—though this raises questions of how these forces' other duties will be met.

Seven ships with equipment, ammunition and supplies to support a 12,000 marine amphibious brigade for two weeks have been deployed in the Indian Ocean. Arrangements have been made with Egypt, Kenya, Oman and Somalia to use facilities in the area, as they have with the British over Diega Garcia.

Last autumn the U.S. carried out exercises in Egypt, at a cost of $40,000 for each of the 625 men involved.

However, the real costs have still to be faced. As envisaged *last autumn*, these include: over $7bn for a new fleet of long distance jet transport planes, the 130-CX; $5bn for a dozen new cargo ships; $500m for eight SL 7 fast logistics ships; $500m for new KC-10 combination cargo tanker planes; up to $2bn to improve Diego Garcia and other facilities; $1bn for stockpiles; $1bn for basic support costs and up to $2.5bn for maintaining a naval presence in the region and exercises.

It is the scale of such costs which causes the Aberdeen study bluntly to state: "In present circumstances, it is feasible to contemplate either extra-European deployment of a token force to help the major ally demonstrate a Western rather than a specifically American presence; or, alternatively, a very modest augmentation of troop levels to fill an American "hole" in Western Europe's defences. That is all."

In this light, what Mrs. Thatcher has been saying may be important for the extent to which it forces Britain's European partners to face the issues involved in any defence operations in the Gulf.

But there is a second level which may be important, one where the rhetoric is more important than the reality. The Aberdeen study points out that in the future "the British interest lies not simply in behaving like a good ally but in acquiring some ability to counsel the superpowers."

**Improving Capabilities for Extra-European Contingencies: The British Contribution, by Peter Foot. Aberdeen Studies in Defence Economics No. 18.*

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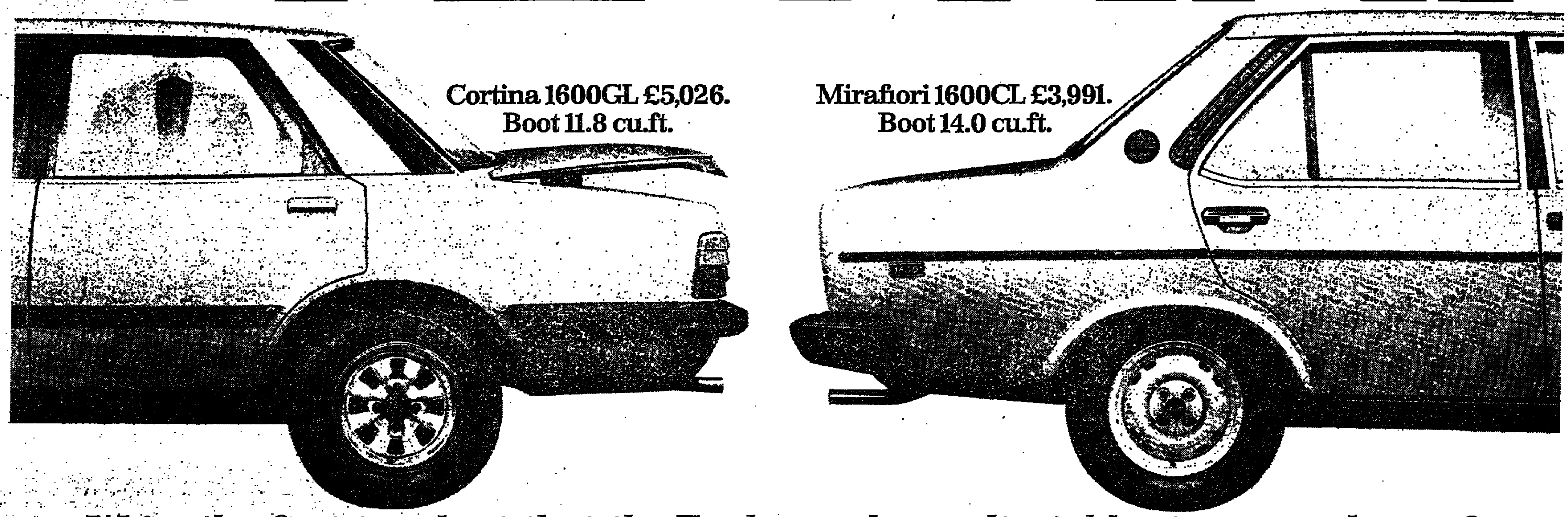

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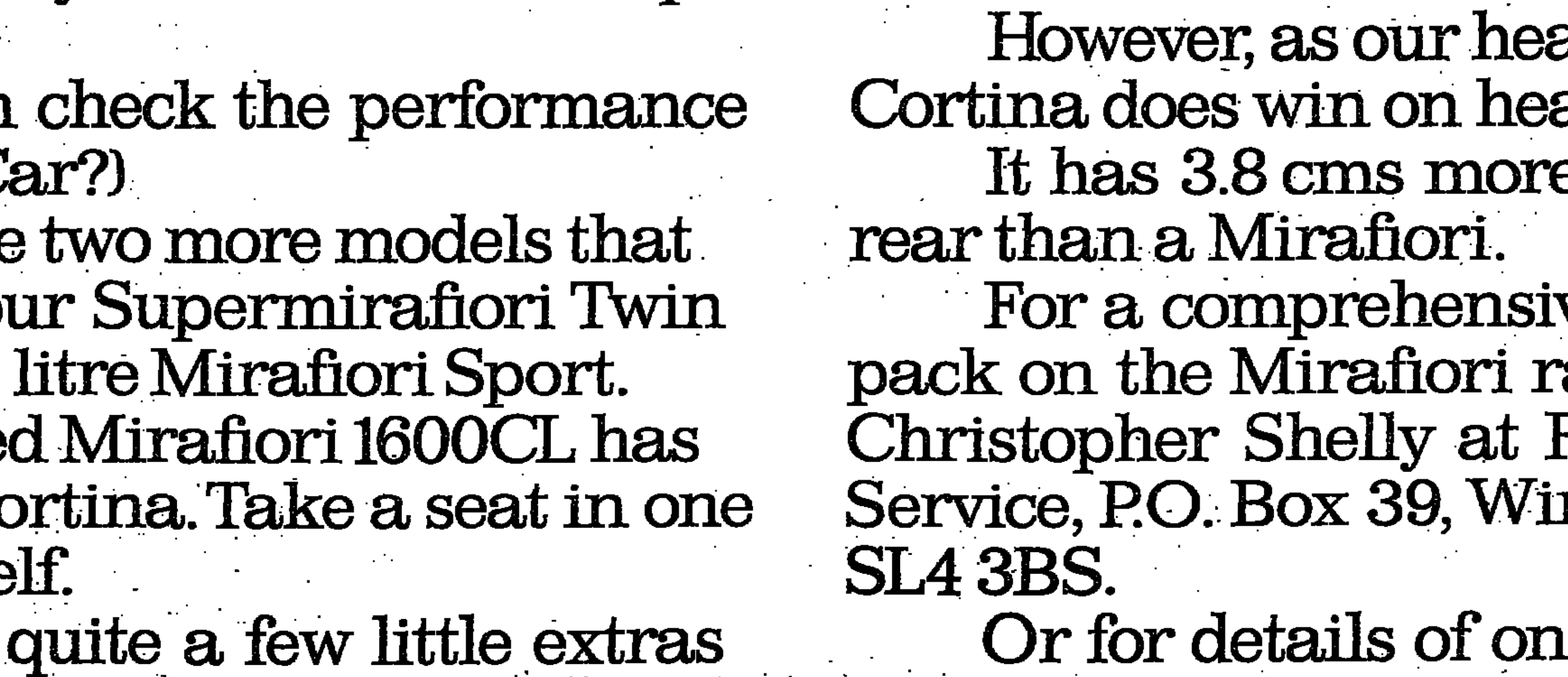

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BNOC moving into Gulf oil exploration

BRITISH NATIONAL Oil Corporation is about to become involved in Middle East oil exploration.

The State undertaking is expected to become an equity partner in a large Dubai exploration concession held by Atlantic Richfield, the U.S. energy group.

Negotiations have been continuing for several months and an agreement could be concluded within the next few weeks. It is possible that the signing ceremony could coincide with the visit to the United Arab Emirates next month of Mrs. Margaret Thatcher, the Prime Minister.

According to the Gulf News newspaper, the concession covers over 700,000 acres, about 80 per cent of Dubai's on-shore exploration area. BNOC will be joining six other international companies involved in Dubai exploration work.

Girobank joining payments scheme

NATIONAL Girobank, the banking arm of the Post Office, is to become a member of the London Bankers' Clearing House, the payments transfer system operated by the main high street banks.

Girobank is paying a £400,000 admission fee, but will not be equipped to participate in the scheme for about two years.

Viewdata device for Barclays

BARCLAYS BANK is installing a private viewdata system, supplied by Rediffon computers, into banks in the Windsor area to be used as a prototype training scheme.

Staff, using a specially adapted television will be connected to the central computer with the training programmes through an ordinary telephone line.

Co-operation drive by Japanese

MEMBERS of the Japan Machinery Exporters' Association yesterday visited UK engineering companies as part of a campaign to forge links with medium-sized groups. The intention is ultimately to create alliances which will be able to co-operate on bids for overseas business.

London transport unification plea

A SINGLE "transport partnership" in London should be formed to link British Rail with London Transport, the London Chamber of Commerce and Industry said yesterday in a paper to Mr. Norman Fowler, the Secretary for Transport.

£150,000 cost of wedding coverage

THE BBC is to spend £150,000 on a seven-hour outside television broadcast of the wedding of Prince Charles and Lady Diana Spencer—its most costly ever coverage of a State event.

Jenkin confirms sick pay plans

THE Government's commitment to its sick pay proposals was reaffirmed yesterday by Mr. Patrick Jenkin, Social Services Secretary, when he addressed the South Bucks and East Berks Chamber of Commerce. Under these proposals employers would take over the responsibility from the Social Security system for paying sickness benefits during the first eight weeks of illness of employees, and Mr. Jenkin said that the Government remained fully committed to this change.

But implementation of the proposals was being held up because industry was strongly objecting to the method of compensation for employers.

Conservation sites suffer damage

SERIOUS damage is continuing at key nature conservation sites in the UK, according to the Nature Conservancy Council's annual report published today.

High prices paid for tapestries

SOTHEBY'S Belgravia was selling some very fine British tapestries yesterday. Unfortunately the finest, "The *blindfinding of truth,*" designed by John Byam Liston Shaw in 1909 and woven by the Merton Abbey Tapestry Works, failed to find a buyer —the saleroom had placed an estimate of £35,000-£45,000 on this impressive work, which measures 96 by 108 inches.

Of two tapestries designed by Edward Burne-Jones, one sold and the other did not. "*Pomona*", woven at Merton Abbey in 1899, was bought by the Victoria and Albert Museum for £9,000, plus 11.5 per cent in buyer's premium and VAT, but "Flora", woven in 1920, was bought in.

Energy study confirms Britain pays more

BRITISH INDUSTRY'S long-standing claim that it has to pay substantially more for energy than its continental competitors is largely vindicated by the National Economic Development Council report published yesterday.

The report says UK gas and electricity prices moved significantly ahead of those on the continent for an "important group" of British manufacturers *by the end of last year.* During the greater part of 1980 continental manufacturers enjoyed cheaper heavy fuel oil than their UK counterparts.

Coal is the one area where *UK manufacturers should have* a price advantage over European competitors. But the report says the benefits of Britain's cheaply produced coal are wiped out by the huge subsidies which *other Common Market countries* give their coal industries.

The report says large industrial gas consumers in the UK were suffering an average cost disadvantage of 10 to 15 per cent by the end of last year—after making allowances for different types of contract.

Many industrialists felt these figures were low—and they gave examples of individual cases "where disparities are significantly greater."

The disparity between continental and UK electricity prices for large, high-load factor consumers ranged from 10 per cent to more than 35 per *cent.*

The price of foundry coke in the UK was found to be some "30 per cent higher than in the rest of Europe." But steam coal prices were found broadly comparable.

The report's figures point out once again that the UK duty on heavy fuel oil and other oil products is among the highest in Europe. But, there are also hints that the major oil companies are charging particularly high prices in Britain—partly because price controls in many continental countries are preventing them from increasing their margins there.

The report blames energy price disparities between Britain and the continent on factors including:

- exchange rate movements;
- the different energy resources of various European countries—whether natural or *otherwise;*
- differences in market structures and in pricing practices;
- the high level of duty on UK fuel oil.

The report was drawn up by a task force including representatives from Mritish Gas, the Electricity Council, the Confederation of British Industry, the TUC, the Department of Energy and the National Economic Development Office. But it is clear from the report itself there was often bitter disagreement between the various members of the task force—particularly over gas prices.

Industry reacted quickly yesterday to the report's findings. The campaign against high UK

Sue Cameron on how NEDC vindicates industry's claims

energy prices has been led from the start by the chemical industry. It claimed that the report "demonstrates the severe competitive disadvantages that UK industry is now suffering on energy prices."

The Chemical Industries Association said the general levels of pricing quoted in the report were very conservative. It said using them as a base, British chemical producers were paying around £170m a year more for their energy than their continental competitors.

The report says gas and electricity prices for 95 per cent of individual UK industrial consumers were "broadly in line with those on the continent by the end of 1980." However, it says the 95 per cent accounted for only 50 per cent of the industrial electricity used in Britain and for only 15 per cent of the gas used by manufacturers.

Gas prices appear to have caused the greatest friction among task force members. There are references through*out the report to differences be*tween British Gas and others who gave evidence.

The report estimates that the disparity between UK and continental gas prices for large consumers was between 2p and 3p a therm—or 10 per cent—for those on interruptible contracts by the end of last year. For those with firm supplies of gas the disparity is greater—3p to 5p a therm or between 10 and 20 per cent for large users.

Under interruptible contracts customers agree to have their supplies cut when necessary and they then usually switch over to oil. In return for running this risk they pay less for their gas. Firm supplies are dearer but more secure.

The report says the prevalence of the two types of contract varies in different European countries. The terms of contracts—notably the length of time for which supplies can be cut off—also vary. This made comparisons more difficult.

The report says that on the *continent "many more of the* larger consumers take firm gas." It says that after allowing for the proportionate usage between firm and interruptible supplies—plus the cost of having dual firing so that those on interruptible supplies can switch to an alternative fuel—the average UK cost disadvantage is between 10 per cent and 15 per cent.

The range of prices for firm gas supplies in the UK in November last year was between 22.4p and 28.3p a therm. The upper end of the range is higher than in Belgium, France, Italy or the Netherlands. But in Germany the range was 18p to 31p although there was disagreement between British Gas and consumers over German figures.

The report says exchange rate movements are an important reason for the disparity between UK and continental gas prices for large users. It also says gas prices are linked to the *price of alternative fuels*—heavy fuel oil and gas oil. It says the fact that pre-duty fuel oil prices have generally been higher in Britain than on the continent "has contributed importantly to raising UK interruptible gas prices ahead of those elsewhere."

UK manufacturers told the task force that UK gas prices were high partly because they *were related to the more xpnsive gas oil, while many con*tinental prices were linked to the cheaper fuel oil. But British Gas representatives disagreed.

Electricity prices for industrial users in the UK were found to be "broadly in line" with those of the rest of the European Economic Community. But they were higher for large users with high load factors in Britain.

The load factor is the ratio between a manufacturer's peak consumption and his average consumption. Users who consume a lot of electricity and who take near-peak loads for long periods of time—normally expect to pay rather lower prices than others. These are the people who are deemed to hav high load factors.

The report found that French electricity prices were consistently lower than others and *now stand some 20 per cent to* 35 per cent below equivalent prices in England and Wales "compared with 10 to 20 per cent a year ago."

In West Germany manufacturers with high load factors now pay up to 25 per cent less than either British counterparts. Evidence given to the task force b ythe steel industry showed that in West Germany an dthe Netherlands the disparity with UK electricity prices for large, high load factor uses could be 37 per cent.

Again the task force disagreed over the "interpretation of terms."

Main reasons for the disparity in electricity prices are:

- the German pricing system which helps large, high load factor users;
- use of low cost nuclear power and hydro electricity in France —together they account for nearly half of French power generation;
- the huge subsidies some continental countries give their indigenous coal industries.

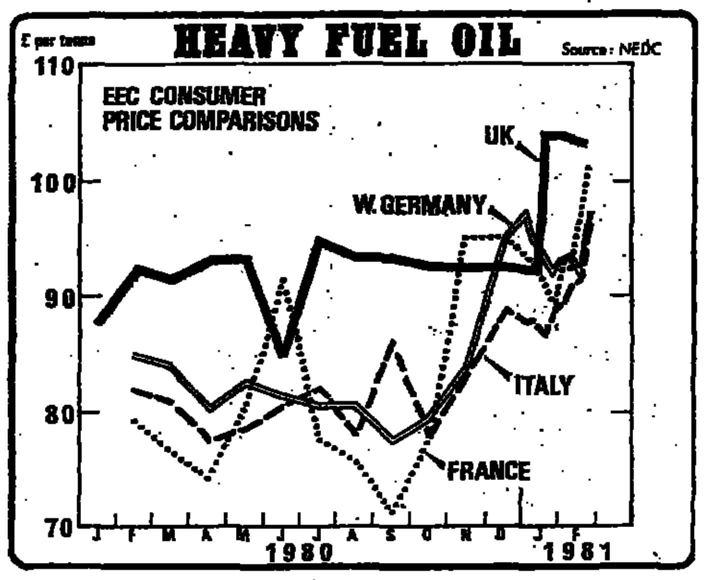
Coal: the report draws attention to the fact that other European countries give their coal industries far bigger subsidies than Britain does.

The German subsidy is estimated at £36 a tonne, the French at £66 and Belgian £106, against a mere £2 in the UK. Yet, Britain has "the cheapest indigenously produced coal in the European Community."

The UK therefore fails to gain an advantage in one of the few areas when she might expect to.

Oil: the report says the UK duty on heavy fuel oil is £8 a tonne—higher than any other country except Ireland, where it is £12 and Denmark, where it is £27 but where VAT registered traders get a full rebate.

Even before duty is added in the report says, UK manufacturers were paying more for their fuel oil than their continental competitors. This is partly because of distribution borne by oil companies in Britain, which they do not have on the continent, plus the fact that the UK is geographically removed from the Rotterdam spot market.



INDIVIDUAL FUELS AS A SHARE OF TOTASL FUEL COST BY INDUSTRY†

	Fuel costs as % of operating costs for each industry	Coal and coke %	Fuel oil Gas oil Derv %	Gas Firm supplies (interruptible in brackets) %	Electricity (load factor in brackets) %	Liquid petroleum gas %	Total %
Iron and Steel	18	57	16	5 (35%)	22 (27-67%)	—	100
Paper and Board	11-18	25	40	24 (94%)	11 (60%)	—	100
Chemicals Allied Inds.	6	6	40	12 (7080%)	40 (40-80%)	2	100
Bricks, Pottery, Glass Cement	18	20	34	12	24	10	100
Textiles	6	11	46	6	37	—	100
Fisheries*	c. 30	—	100	—	—	—	100
Glasshouse production (Horticulture)	40	6	91	1	—	—	100

Source: NEDC

* Ministry of Agriculture, Fisheries and Food estimate.
† Energy costs represent 4-5% of total operating costs on average for British industry.

Production of oil stays ahead of demand

BRITAIN IS continuing to produce substantially more oil than it is using—confounding forecasts that consumption might outrun supplies from the North Sea during the winter months.

Provisional Department of Energy figures show that Britain produced 1m tonnes more oil in the three months from November to January than it consumed—either to make energy or for other uses.

Although the UK achieved self-sufficiency in oil last year, the Government had forecast that demand could temporarily outrun domestic production during the winter. But this has not happened, partly because of increasing North Sea production and partly because of reduced consumption.

The UK's oil production totalled 21.7m tonnes during November to January, an increase of 2m tonnes—or 10.3 per cent—on the same months of 1979-80.

Deliveries of oil products for energy use fell by 15.7 per cent and for non-energy use by 32.1 per cent. The total use of oil products during the period was 20.7m tonnes, a drop of 4m tonnes or 16.3 per cent on the same months of 1979-80. Overall UK energy consumption was 92.6m tonnes of coal equivalent —7.6 per cent down on the same period a year ago.

Solid fuel heats 67% of homes in N. Ireland

By Our Belfast Correspondent

SOLID FUEL is the main heating source in 67 per cent of Northern Ireland homes, according to a survey published yesterday.

This is an increase of about 7 per cent in market share since 1977 and was mainly to the disadvantage of electricity.

The survey was conducted for the Coal Advisory Service which represents the interests of Northern Ireland coal importers and of the National Coal Board.

Joseph urges public and private companies to join forces on new projects

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE GOVERNMENT is to *encourage nationalised indus*tries and other public sector organisations to plan joint research and development programmes with their private suppliers and contractors.

This is the *latest* of a series of public purchasing initiatives launched by Sir Keith Joseph, Industry Secretary. He wants to improve the international competitiveness of goods bought in Britain by the public sector.

State organisations will be *told that they should do less* research and development in-house. Instead, they should co-operate more with the private sector, so helping to improve the range of goods *that their suppliers can offer* abroad.

This emerged yesterday when Sir Keith delivered a progress report on his public purchasing policy to the National Economic Development Council.

The research and develop*ment moves will be an*nounced soon when the Government responds formally to a report published a year ago by the Advisory Council for Research and *Development.*

This report criticised the fact that about half of all research and development in Britain is carried out in the public sector.

Sir Keith also announced yesterday that, together with Mr. *Michael* Heseltine, Environment Secretary, he is to meet representatives of local authorities to discuss the purchasing policy which is backed with Government aid *funds totalling about £10m.*

"The Government wishes public purchasers to use their relationship with UK suppliers to improve industrial performance to the advantage *of both parties,*" Sir Keith told the council.

"They should seek to maintain or, where necessary, develop over the medium- to longer-term British sources of supply which are competitive internationally."

Conscious that this policy is being criticised in some quarters. Sir Keith added: "This is not a 'buy British regardless' policy. That would be shortsighted and in no-one's long-term interest."

Industry Department civil servants have urged about 80 companies in selected industries such as information technology, defence electronics, radar systems, medical systems equipment, and mechanical handling systems to develop closer contacts with the public sector. Another 80 companies are now to be approached, said Sir Keith.

He also announced that Sir Derek Ezra, National Coal Board chairman, and Mr. Gordon Brunton, chairman of the "Little Neddy" for civil engineering, were holding a series of luncheon meetings with companies to develop a similar interest in private sector purchases.

Sir Derek and Mr. Brunton, who is chief executive of Thomson British Holdings, are encouraging UK companies to seek home-based *suppliers before looking* abroad.

Hoover makes 900 redundant to restore profitability

BY RAY PERMAN, SCOTTISH CORRESPONDENT

HOOVER, which reported last week the first loss since its establishment in the UK in 1937, is to make 900 workers redundant in an effort to restore profitability.

The cuts are at three manufacturing plants. At Cambuslang, Scotland, 400 jobs go; at Merthyr Tydfil, South Wales, 300; and at Perivale, West London, 200.

Hoover lost £2.75m in 1980 on a slightly increased turnover of £207m, and halved its dividend. It said last night: "The company believes that it can get back into profit this year, but there is some very nasty medicine that we have to take before then."

Unions were told yesterday that short time, in force since *September, would continue, and* that the company would end its contribution to compensation for lost earnings, which cost Hoover £2.4m in the last quarter of 1980.

Union response to the announcement will not be known until after negotiations with local managements.

Other big household electrical goods manufacturers are also on short time.

Hoover has reduced its labour force in the past three years by halting recruitment and by redundancies. The latest cuts mean that total employment drops from 11,000 at the start of 1980 to just over 9,000 by this summer.

The company is hit by the slump in demand, particularly at home, and loss of export competitiveness. Inflation and the rise of sterling lifted its prices in European markets by *25 per cent last year.*

Home demand for electric cleaners fell by 8 per cent last year, and for washing machines by 4 per cent.

Though Hoover clung to its market lead for these goods, it lost some share to low-priced imports, and had to absorb extra costs to remain competitive.

The company said yesterday that because of tough competi*tion it had been unable* to make a UK price increase last year, and spent large amounts on advertising and promotion.

It finished 1980 with stocks much larger than normal, which it financed by borrowing.

Robin Reeves writes: Negotiations to slim the work force at the Merthyr Tydfil washing machine factory, South Wales, began immediately.

The number of workers at Merthyr, where Hoover is the largest single employer in the town, has fallen in two years from more than 5,000. Four years ago the company planned to expand its Merthyr labour force to over 8,000.

Since the autumn the washing-machine plant has been working part time, one week in four off.

Aided by the Government's short-time working compensation scheme, it recently *launched a low-priced washing* machine to compete directly with cheap imports, notably from Italy.

Commenting on the latest redundancies Mr. Ted Rowlands, Labour MP for Merthyr Tydfil, said he was appealing to the Prime Minister to act to halt the industrial slide.

Despite a 30 per cent increase in productivity in the past two years, the state of the economy was such that the company was still being forced into layoffs.

Unemployment in Merthyr has virtually doubled in two years to 12.2 per cent.

- Nearly a quarter of the 1,000 employees at the instrument factory of Kent Process Control, Luton, Beds., are to be made redundant

The company, part of the Swiss Brown, Boveri Kent group, said the cuts might include both production and office jobs.

Controls on imports of steel urged

By Alan Pike

THE Government was urged yesterday to resort to import controls if necessary to force other EEC countries to resolve *the crucial problem of steel in*dustry subsidies.

Mr. Hans Sundt, Manchester Steel managing director and a member of the British Independent Steel Producers' Asso*ciation* executive committee said Britain must adopt this position unless rapid action was taken by countries such as Italy and Belgium to eliminate subsidies.

He will raise the issue with other private steelmakers at the next BISPA meeting

The Government would probably be opposed in principle to calls for controls, he said, but it was not sensible to "be idealistic and get killed in the process."

Ministers and leading figures in the industry recognise that the efforts at restructuring — costly in terms of both finance *and jobs—could be wrecked if* the difficulties caused by subsidies and overcapacity elsewhere in the EEC are not controlled quickly.

Mr. Sundt said that, in spite *of mandatory production* controls, large amounts of cheap Continental steel were still reaching Britain.

ATS stake sold by Enterprise Board

BY JASON CRISP

THE National Enterprise Board has sold its 30 per cent stake in Automation and Technical Services (ATS) to Innotech Investments, a new company specialising in high technology investment. It was set up by Mr. David Sainsbury, finance director of J. Sainsbury.

The *NEB's original invest*ment of £150,000 was sold for £906,250 and is its most profitable sale. It has raised £143m in its divestment programme, which includes ICL, Ferranti and Fairey. Of this £100m has been passed to the Exchequer.

ATS, *formed in 1969,* makes telex and telegraphic communication systems equipment, and computer-controlled monitoring and control systems. Three years ago the NEB invested £50,000 in ordinary shares (30 per cent) and £100,000 in preference shares.

Innotech paid £806,250 for the ordinary shares—giving the *NEB a profit of 1,512.5 per cent* —and the preference shares have been redeemed at par.

In the three years, the NEB has received dividends of about £70,000.

*The previous largest percent*age profit made on an NEB sale was in December when it sold its holding in Computer and Systems Engineering (CASE) for a gain of 138 per cent.

A further 20 per cent of ATS *shares changed hands yesterday.* Murray Johnstone increased its holdings for investment trusts from 18 per cent to 29 per cent, and shares were bought by employees and other investors under Stock Exchange's Rule 163(2).

Innotech's stake in ATS is its first investment. Dr. Ron Ferguson, ATS founder and managing director, is a shareholder in Innotech. Its objective is to invest in high technology British companies with innovative products and strong growth potential.

ATS sales in 1980 were £2.3m, on which it is expected to show profits of £330,000. This year Dr. Ferguson expects turnover will be about £3.3m. The company has grown at 50 per cent a year since 1974.

Last year £850,000 of its sales were in telemetry equipment The larger portion (£1,450,000) was in telex and telegraphic equipment. One of its main products (Vitel) sold worldwide provides a telex with a video-*display* on which the message is prepared. It also makes automatic dialling and telex message distribution systems.

New fusion research director

By David Fishlock, Science Editor

A NEW DIRECTOR for Britain's research programme on controlled nuclear fusion which costs £18m a year has been announced by the UK Atomic Energy Authority.

Dr. Mick Lomer, research director (environment) at Harwell, is to succeed Dr. Sebastian ("Bas") Pease next month as director of the Authority's Culham Laboratory.

Dr. Pease, director of the Culham Laboratory since 1967, is appointed to the new post of programme director of fusion at Culham.

The Culham laboratory is host research centre for the EEC's Joint European Torus (JET) project—keystone of Europe's nuclear fusion research programme.

Of Culham's annual budget, about £5m represents Britain's contribution to the £150m JET project, and another £13m the cost of supporting research by the laboratory itself.

The laboratory also has an income of about £1m a year in contract research.

National Bus seeks £97.6m debt write-off to save its services

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

THE State-owned National Buse Company has joined the queue of nationalised industries putting pressure on the Government for financial help.

It wants the Government to *write-off the capital debt of* £97.6m it inherited when it was formed 13 years ago and has asked for a meeting with Mr. Norman Fowler, Transport Secretary, to discuss its financial crisis.

Lord Shepherd, the chairman, is to make a joint plea to Mr. Fowler with a delegation from the Transport and General Workers Union, which represents many of the company's 63,400 staff. A meeting is expected before the end of the month.

Last week union leaders from the steel, rail and mining industries met the industry, energy, employments and transport secretaires in a call for more financial help for British Steel, British Rail and the National Coal Board. They emerged confident that the Government was more *prepared to listen sympathetic*ally to these industries.

Earlier, the Government and Coal Board climbed down over threatened pit closures and up to £400m may be made available *to the Coal Board to support un*economic mines.

The National Bus Company is Britain's largest bus operator. It carries more than twice as many passengers as British Rail but last year made a net loss after the biggest drop in passenger traffic for a decade. Two years ago it had a net surplus of £17.7m and in 1979 a net surplus of £6.2m.

Interest payments—£10m last year—on the capital debt it has to pay the Government under the 1968 Transport Act are putting at risk the company's ability to run full local and national bus services in its 35 operating *subsidiaries.* Three years ago the Commons select committee on nationalised industries called for the Government to write off the debt.

The first casualty of the financial crisis is the Midland Red Omnibus Company, the biggest single company owned by National Bus. Midland Red lost £2m last year, the same net loss as in 1979.

To stem mounting losses by Midland Red Across its 12,000-square-mile network around Birmingham the company has approved a rationalisation plan.

This involves splitting Midland Red into four bus operating *divisions,* making 504 staff redundant and closing the Midland headquarters and the company's central workshops.

The plan is being considered by the main National Bus Board *in London.* A *likely outcome* is that Midland Red bus and coach maintenance will be transferred to neighbouring National Bus subsidiaries such as United County and the Potteries Motor Traction Company.

Cuts in frequency and extent of services operated by National Bus companies, including Midland Red, have already taken place. The aim has been to reduce overheads, especially among the workforce, in line with the estimated 7 per cent drop in passenger traffic compared with a year ago.

Large cuts in services are expected in North Yorkshire, where the county council has offered the United Automobile Services subsidiary of National Bus £250,000 less in passenger subsidies than it needs this year.

Regular weekday services are likely to be lost in the Yorkshire Dales and around Whitby, Scarborough and Middlesborough. Sunday and evening services have already been cut.

UK NEWS—LABOUR

APPOINTMENTS

BSC faces writ over tinplate jobs cut

Financial Times Reporter

WELSH TINPLATE workers threatened with redundancy have served a writ on the British Steel Corporation in a bid to save their jobs.

The works council of the Velindre tinplate plant near Swansea will ask the High Court in London to declare BSC's corporate plan illegal.

They have commissioned Lord Gifford, the Labour peer, to apply for an injunction preventing BSC from making 1,300 workers redundant until the question can be settled.

The writ claims that the 1975 Iron and Steel Act demanded that the BSC should consult unions when carrying out a review similar to the one that led to the corporate plant. The talks were not held, and so the plan is *ultra vires* and void, it claims.

Further details of the action will be announced at Velindre today.

Mr. Viv Du'Foe, the solicitor acting for the works council, said hte workers would not be digging into their pockets if they thought the legal action was a waste of time.

He expected the injunction application to be heard within a week and for a full trial to take place before the end of March.

Water workers split on offer

By Our Labour Staff

MANUAL WORKERS in the water industry are deeply divided over the National Water Council's "final" 12.3 per cent offer.

A mass meeting of the 600 General and Municipal Union workers at Liverpool's number one branch—the largest in the area—voted unanimously yesterday to reject the offer.

Mr. Bill Smith, the GMWU regional officer, said after the meeting that the offer would "very likely" be rejected by the full regional delegate conference on Monday.

In the Yorkshire area—where delegates of the GMWU's 2,300 members meet today—branch meetings have generally favoured acceptance of the offer. Mr. Mike Fisher, the regional officer, said he was "confident of an acceptance, but not of a large majority."

In the large West Midlands area, branches are more evenly balanced.

Council staff draw up 13.2% claim

BY PAULINE CLARK, LABOUR STAFF

UNION LEADERS of more than 500,000 white collar workers in local government gave early warning yesterday of preparations for possible industrial action in support of a 13.2 per cent pay claim.

The National and Local Government Officers' Association drew up the claim yesterday with the prospect of a major fight with local authority employers, whose ability to increase wages has been hampered by the Government's 6 per cent cash limits policy for pay rises this year.

It comes in the face of acceptance by council manual workers of a 7.5 per cent increase this year, and a similar deal this week with teachers.

The claim for £7 a week across the board plus 7 per cent and for immediate introduction of a 35-hour week will be recommended to a staff-side meeting expected in early April before the annual settlement date on July 1.

The union represents the vast majority of town hall st aff, and its demands will almost certainly form the basis of the joint claim to be lodged with employers.

Mr. Mike Blick, chairman of NALGO's local Government Committee, said that industrial action might be necessary. "White-collar staff in local government recognise that in order to get a justifiable increase in the present circumstances they may well have to back their negotiators by taking action.

"The union is making preparations, should this be necessary."

Town hall staff last took industrial action about a year ago over a comparability claim, and a month's campaign of non-co-operation held up payment of bills and rate demands.

When the final stage of 13 per cent, plus 2 per cent from last year's arbitration deal, is implemented next month a mid-ranging town hall staff worker will receive an annual salary of £5,268.

British Airways to cancel flights

BY MICHAEL DONNE AND NICK GARNETT

BRITISH AIRWAYS is cancelling all its flights into and out of the UK next Monday, because of the one-day strike over pay scheduled on that day by civil servants, who include air traffic controllers.

Without air traffic control facilities, no airline is likely to risk flying, even if the weather is fine. Oother airlines are meeting today, and are likely to follow the British Airways lead.

Where possible, alternative arrangements are being made for BA passengers holding bookings for Monday, but this may be difficult because other airlines will also suspend flights. Most passengers will therefore be asked either to fly on Sunday, or on Tuesday, if space is available.

The Civil Aviation Authority, which is responsible for all UK air traffic, yesterday warned airlines that because of the civil servants' strike, there was "a strong possibility" that those services would be suspended.

Military flights should continuet unaffected as they are run by the RAF side of the air traffic control system.

The CCA said: "Although it is not possible to predict the precise numbers of its staff in the National Air Traffic Services who will take strike action on that day, the CAA cannot permit the possibility of any significant erosion of safety standards arising from the absence of staff.

"The CAA has therefore alerted airlines, other airspace users, and air traffic services in other countries, who need advance warning for operational reasons, to plan on the basis of a suspension of services in the airspace controls by the NATS during Monday, March 9.

"The only civil traffic for which limited services will definitely be provided will be aircraft in emergency, medical and ambulance flights."

The CAA said airline and other airspace users must assume that on Monday there will be *no* air traffic control services for civil flights in British-controlled airspace or at any of the main airports. They are: Heathrow, Gatwick, Stansted, Manchester, Birmingham, Liverpool, Cardiff, Belfast, Edinburgh, Glasgow, Aberdeen, Prestwick and the CAA's eight Scottish aerodromes including Sumburgh.

Lord Soames, Lord President of the council and the Minister in day to day charge of the civil service is considering making a direct public appeal to civil servants not to strike on Monday.

The Government appears to be resigned to the start of disruptive action, which will include selective strikes at key centres from next Tuesday, over the 7 per cent offer to the country's 530,000 civil servants.

The Council of Civil Service Unions yesterday challenged Lord Soames to a debate on television, radio or in other public forums on the issue of civil service pay.

The council said it was prepared to respond in public to "irresponsible and indefensible Government statements designed to obscure the dishonest position which it has adopted."

Dockers urge wider pay-off scheme

BY OUR LABOUR STAFF

DOCKERS UNION leaders are likely tomorrow to join port employers in expressing growing discontent over the Government's refusal to extend special severance pay terms for dockers to all British ports.

This follows a meeting yesterday between Mr. Norman Fowler, Transport Secretary, and representatives of the National Association of Port Employers. Mr. Fowler indicated the Government was not prepared to widen its special payments scheme for voluntary redundancies beyond Liverpool and London ports.

The Government last month offered special supplement cash of up to £5,500 for a two-month period for voluntary redundancies in the two ports because of surplus labour and financial problems there. This raises the maximum redundancy payment to £16,000 when added to the amount offered by the national dock labour severance sheeme.

Port employers not benefitting from the Government aid argue that other ports also had serious surplus labour and financial problems. They are also worried that severance pay applications will dry up if their dockers are offered less money than in London and Liverpool.

Dockers' leaders in the Transport and General Workers Union are also pressing for improved severance terms and will meet tomorrow to discuss their stance after joint talks with employers today.

Way clear for Scargill challenge

Financial Times Reporter

MR. RAY CHABURN, president of the 34,000-strong Nottinghshire area of the National Union of Mineworkers, and a member of the Union's national executive, announced yesterday that he is withdrawing as a candidate for the post of national president. This leaves the field clear for a contest between two Yorkshiremen, the left-winger Mr. Arthur Scargill, and the the moderate Mr. Trevor Bell.

Mr. Chadburn's decision, after much heart-searching and disunity in the moderate camp, clears the way for a challenger whom the Left privately believes poses more of a danger to Mr. Scargill.

But so far the betting is that Mr. Scargill will win, despite his loss of face during the miners' strikes over pit closures when he failed to pull the Yorkshire troops out at the same time as South Wales, Scotland and Kent.

Mr. Chadburn, 47, may now set his sights on the general secretaryship on the retirement of Mr. Larence Daly.

Mr. Bell is secretary of the NUM officials and staff section and Mr. Scargill is the Yorkshire Area president.

Mr. Chadburn said that it had taken "a great deal of heart searching" to withdraw from the presidential battle which will take place when Mr. Joe Gormley retires next year.

"I think it is best in the circumstances to give way to Trevor Bell who as head of the union's industrial relations department has had a great deal of national negotiating experience working for Joe Gormley and his predecessor," said Mr. Chadburn.

Reject 8% newspaper offer, says NGA

By John Lloyd
Labour Correspondent

THE NATIONAL GRAPHICAL Association, the print craft union, will recommend rejection of the 8 per cent pay offer to print workers in national newspapers.

The union wrote yesterday to the other three print unions asking them to defer ballots on the offer pending inter-union discussions on the deal.

The NGA will recommend that the unions continue to press the Newspaper Publishers Association for an extra week's holiday for all national newspaper print workers, aimed at cutting the relatively high levels of unemployment in Fleet Street.

The union, with some 4,000 members in national newspaper offices in London and Manchester, has about 500 unemployed members on its books.

The NGA is likely to suggest to the other unions that they negotiate a reduction in the NPA's 8 per cent offer by up to 3 per cent to finance the extra week's holiday.

Mr. George Jerrom, NGA national newspaper officer, said last night: "The main thrust of our negotiations this year must be to secure a reduction in unemployment."

The NPA offer, described as "final," was raised to 8 per cent from 5 per cent, with a £10 minimum payment for the lower-paid clerical workers.

The agreement would include a disputes procedure laying down a local- and national-level system to which threats of unofficial stoppages could be referred while production of the paper continued.

The NPA would not concede an extra week's holiday in negotiations with the unions this week.

Pensioners' plan

MORE THAN 5,000 pensioners lobbied Parliament yesterday to present a 10-point plan calling for better pensions, a larger Christmas bonus and an increase in death grant.

Plessey protest

WHITE-COLLAR staff staged a lightning half-day token strike at Plessey Telecommunication's four Merseyside plants yesterday in protest over a new discipline code at Huyton.

Thames Television deputy chairmen

THAMES TELEVISION has appointed Mr. Hugh Dundas (managing director of BET and chairman of Rediffusion) and Sir John Read (deputy chairman of Thorn EMI) as deputy chairmen. Both have been senior directors of the company for many years, Mr. Dundas since its foundation in 1968, and Sir John since 1973.

★

Mr. R. W. Crick, managing director of Hill Samuel (SA) and Mr. B. Hesketh, managing director of Hill Samuel Pacific, have been appointed to the Board of HILL SAMUEL AND CO.

★

Mr. Brian Doris has been appointed a director of SAVE & PROSPER INVESTMENT MANAGEMENT.

★

Mr. Christopher O'Malley and Mr. Boris Skulezuk will be joining E. B. SAVORY MILLN, stockbrokers, on March 9 to deal in international bonds.

★

Mr. Brian Pollard has been appointed director of business development at SIRYCON, Twickenham.

★

Mr. N. F. Kemble has joined the Board of KILLICK MARTIN AND CO.

Mr. Charles Darbon has been appointed chief executive of CROUCH PAINTING and Mr. Richard Weavers has been appointed a director of CROUCH CONSTRUCTION. Both companies are subsidiaries of Crouch Group.

★

From April 1 Mr. A. J. G. Church is to be commercial director for LOVELL CONSTRUCTION at Gerrards Cross. He has been employed by the Group since 1972 and for the past four years has been managing director of Farrow Construction where he will be succeeded by Mr. D. A. White, currently construction director with Y. J. Lovell (London). Mr. B. J. Howard is the new construction director for Y. J. Lovell (London).

★

Mr. James Wills has been appointed director of sales for COLUMBIA PICTURES TELEVISION for the Middle East and Africa. He will be based in London.

★

Mr. James M. Ferguson (U.S.) has been appointed a director of SCOTT UNDERWRITING AGENCIES.

OVERSEAS

Mr. C. J. Sinclair, until recently deputy chairman and managing director of Newalls Insulation Company, is to become president and chief executive officer of NUTURN CORPORATION, Nashville, Tennessee, U.S. this month. His appointment follows the resignation of Mr. R. C. Rogers. Turner and Newall has an 80 per cent interest in Nuturn.

★

Mr. Gary Bliss has been appointed vice-president and general manager of CEDAR HILL MANAGEMENT, a company recently formed by Republic Steel Services Group and Hogg Robinson Group. Cedar Hill Management is based in Hamilton, Bermuda and provides insurance management services including investment and brokerage facilities.

★

Mr. Rolf Ilvesviita has joined the Board of DE JERSEY AND CO. (FINLAND) and has been appointed a deputy chairman responsible for the company's branch office in Helsinki. He retired at the end of last year from Rauma Repolo OY.

★

Mr. Carl W. Klemme has joined RUSSELL REYNOLDS ASSOCIATES, INC., New York, as executive vice-president, administration, and a member of the executive committee. He was previously with Morgan Guaranty Trust Company.

Mr. H. David Crowther has been elected vice-president corporate communications for LOCKHEED CORPORATION, U.S. He succeeds Mr. W. D. Perreault, Sr., who is retiring.

★

Mr. Richard J. Ferris and Mr. Frederick G. Jaicks have been elected directors of STANDARD OIL COMPANY (INDIANA).

★

Mr. M. J. Shea has been appointed managing director of SIHI-RYALAND PUMPS, Altrincham, Cheshire. Previously he was managing director of Davy Piratininga SA, Brazil.

★

Mr. E. J. Eagles has been appointed a director of the TUNGSTEN MANUFACTURING COMPANY and continues as secretary.

★

Mr. J. S. C. Megit has been appointed as managing director of JOHN LAING DESIGN ASSOCIATES, of the John Laing Group.

★

Mr. V. G. Harris, Mr. D. E. Harrison and Mr. J. D. Bourne have been appointed directors of BRITANNIA GROUP OF UNIT TRUSTS (previously Britannia Trust Management). Mr. R. E. Dellow has become a director of Britannia Institutional Fund Management (formerly Schlesinger Investment Management Services).

MPs back Foot on leadership formula

By Elinor Goodman, Lobby Correspondent

MR. MICHAEL FOOT, the Labour leader, yesterday won the backing of Labour MPs for his move to change the outcome of January's special Party conference at Wembley. The Parliamentary Labour Party voted by a big majority in favour of a formula which would give Labour MPs instead of the unions the biggest say in electing the party leader.

The PLP does not have a vote at the Party conference but its vote yesterday will strengthen Mr. Foot's hand in arguing that the formula approved by the Wembley conference is unacceptable.

At yesterday's PLP meeting, Mr. Foot said he prayed that this year's Party conference will finally settle the question of how the Labour leader should be elected. It was essential, he said, that this issue should not be allowed to split the Parliamentary party from the party outside Westminster.

With several of the largest unions already committed to changing the formula agreed at Wembley, Mr. Foot is fairly optimistic that the autumn conference will back the idea of an electoral college dominated by Labour MPs. Nevertheless, he faces fierce opposition from the far Left, which engineered the Wembley conference vote.

Judging by yesterday's PLP meeting, however, Mr. Foot could be helped by a split on the party's national executive.

Mr. Tony Benn gave his backing to an amendment urging the PLP to stand by the formula agreed at Wembley, which gave the unions 40 per cent of the seats in an electoral college and MPs only 30 per cent.

But his colleague on the executive, Mr. Eric Heffer, supported a different amendment. He argued that the best solution was the one originally favoured by the NEC, which gave the unions, local parties, and Labour MPs an equal say.

Both amendments were heavily defeated. Instead, MPs voted by 98 to 41 in favour of a college in which they would have 50 per cent of the seats.

● The pressure from within the Labour Party on the 12 Social Democratic MPs to resign their seats and fight by-elections increased yesterday. Mr. Dennis Canavan, the Labour MP for Stirlingshire West, introduced a 10-minute rule Bill which would require the members of the Council for Social Democracy to resign their seats.

The Bill has no chance of getting on the statute book but reflects the view of many Labour MPs that the 12 have no right to continue at Westminster now they have left the Labour Party.

Gowrie gives hint of lower interest rates

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A STRONG HINT of a fall in interest rates came from the Government yesterday when Earl Gowrie, Minister of State for Employment, spoke in the House of Lords in reply to an Opposition motion condemning the "unacceptable levels of regional unemployment."

In the same debate Lord Thorneycroft, Conservative Party chairman, made it clear that he would like the Government to take action to help industry cope with the high cost of energy. He also said he would like to see modifications on the Employment Protection Act to mitigate its effect on small businesses.

From the Government front bench Lord Gowrie said: "If inflation continues to moderate, as we expect, it should be possible to cut interest rates further.

"The welcome fall in the exchange rate over the past few days appears to be anticipating this."

He added a warning about excessive pay claims, saying it was at last beginning to sink in that these did threaten jobs.

"In recent weeks' union eladers have joined with industrialists in calling on the Government to lower interest rates and ease the pressure on the pound.

"We hope to do this, but unions must not expect to recover in wage rises the price rises which a more competitive pound would bring. If they do so we will not be able to shield them from the consequences of more unemployment."

Lord Gowrie said it was essential that the Government did not abandon its economic strategy in the face of political and other pressures just as results were beginning to come through. The Government was reaping success in the control of inflation, "and we are determined not to surrender this success."

He thought public opinion polls were accurate in saying that many people would like the Government to give priority to unemployment and not to inflation. But there was a great danger that stimuating a manufacturing economy as uncompetitive as Britain's would suck in imports and cause further unemployment.

When the Government's policies had worked through Britain would have a stronger economy from which to take advantage of the upturn in world trade.

Gowrie: Excessive pay claims threaten jobs

He said that to go for the alternative of reflation at this time would lead to less competitive industry, draw in more imports and end in greater unemployment.

From the Government backbenches Lord Thorneycroft again developed the "middle of the road" theme he adopted in recent weeks in response to the possible threat posed to the Tories by the emerging Social Democrats.

He said he would be deeply grateful if the Government could take some action on energy prices. Subsidies like those in the U.S. might not be needed, but "industry after industry, activity after activity" in Britain was not getting bulk supplies o fenergy on the same scale as competitors overseas.

Calling for "constructive intervention," he said: "It would help very much if a rather more convincing statement was capable of being made."

He also told the House: "Do let's do anything we can to temper the Employment Protection Act."

He warned that small businessmen would not employ more people if they virtually had to marry every worker they took on. Therefore, the Government should not have to apologise if it scaled down the Act still further.

The recession would end but coming out of a recession was sometimes as painful as going into one. With imports being sucked in it was not going to be simple. Britain would need sound money and would have to hold on to its competitive advantages.

He warned against high wage claims, general reflation, and excessive Government borrowing, which meant higher lending rates.

"By all means spend," he went on. A failure to spend was not an allegation that could be levelled against the present Government. He made no apology for the state funds that had been made available to BL even though this had been politically difficult. Ripping BL out of the West Midlands and watching the collapse of small companies and component suppliers would be a tragedy.

From the Labour front bench, Lord Peart, leader of the Opposition in the Lords, recommended that Conservatives read Mr. Edward Heath's speech in which the former Tory Prime Minister condemned the policies of the present Government. Lord Peart accused the Government of creating a situation of nightmare proportions by its blind adherence to monetarist policies.

"The Government must change its mind," he insisted. "The Government must do another U-turn, otherwise there will be darkness again for many thousands of people in our country."

Labour 'go-slow' on council house sales condemned

BY IVOR OWEN

SIXTEEN Labour-controlled councils are to be told by the Government to stop "going slow" in dealing with applications from council tenants who want to own their homes.

Mr. John Stanley, Housing Minister, joined with Tory backbenchers in the Commons yesterday in condemning the tactics used by some Labour authorities to frustrate tenants wishing to exercise their "statutory right to buy."

He announced that the Department of Environment had formally called for a progress report on council house sales, from the following authorities: Bolsover, Bristol, Doncaster, Great Yarmouth, Hull, Leeds, Manchester, Sheffield, Stoke on Trent, Sunderland, Wolverhampton, and the London Boroughs of Barking and Dagenham, Camden, Greenwich, Lambeth and Newham.

Mr. Stanley disclosed that the department had received approximately 2,000 letters from tenants complaining about delay in a small minority of local authorities.

He assured MPs that each individual complaint was being pursued by the department with the authority concerned.

Mr. Stanley also hit out at union shop stewards who are reported to have impounded letters sent to Lambeth Council by tenants who want to buy their house.

To Tory cheers, the Minister declared: "The Government would expect Lambeth Council to take the necessary steps to recover possession of the "right to buy" documents concerned and fulfil its obligation to process the applications under the Housing Act without delay."

Mr. William Shelton (C., Streatham), whose constituency is in Lambeth, claimed that as many as 300 to 400 letters were being held by NALGO officers. He described their action as "quite scandalous."

Mr. Tony Durant (C., Reading North) urged the Government to consider suspending the Labour councillors in Lambeth and appointing special commissioners to run the council.

He stressed that the "right to buy" was the law of the land—"and we are here to defend the rights of the citizens."

Mr. Stanley emphasised that the Government was concerned to see that all local authority tenants, New Town and housing association tenants who had a "right to buy" were able to exercise it.

The Government would take action where this right was being denied.

The Minister acknowledged there were "bottlenecks" in some authorities in processing valuations and pointed out that it was incumbent upon all councils to make instructions available quickly to district valuers and other valuation services.

Mr. Richard Alexander (C., Newark) suggested that the Government should look into the position at Gateshead where, he said, potential purchasers had received "subtle threats" about the type of neighbours they could expect if they proceeded with applications to buy their homes.

Mr. Stanley promised to consider any information supplied.

He emphasised: "I deplore absolutely any steps being taken by elected councils to try to intimidate or prevent people exercising their rights under the law."

Minister supports arms sales

By David Tonge

BRITAIN'S ARMS exports provide jobs for 142,000 people and are equivalent to 2.5 per cent of British exports, Mr. Douglas Hurd, Minister of State at the Foreign Office, said yesterday.

He told the House of Commons Select Committee on Foreign Affairs that Foreign Office policy "is to support the sales of arms abroad unless, in any particular case, there are compelling reasons for not doing so."

Mr. Hurd denied that this was at odds with the Foreign Office's responsibility in the fields of arms control and disarmament.

He set out four advantages in promoting arms sales. Sales help Britain "to assist friendly countries to improve their ability to stand on their own feet militarily"; can be an important element in promoting security and regional stability; can help Britain sustain existing friendships and build new ones; and discourage countries important to Britain from looking to non-Western sources.

However, Mr. Hurd said that the required export licences would not be given to three groups of countries — those which pose a direct threat to the safety of Britain or its NATO allies, those countries covered by a mandatory United Nations arms embargo—only South Africa comes in this category—and thirdly, regimes where special political considerations apply such as Taiwan or North Korea. Britain is prepared to sell weaponry to China.

Mr. Hurd said that Foreign Office advice was always sought on arms sales, though the responsibility for promoting these lies with the Ministry of Defence.

Bill would clarify true cost of mortgages

BY IVOR OWEN

A PRIVATE Member's Bill designed to make building societies inform owner-occupiers of the true interest rate payable on their mortgages was introduced in the Commons yesterday.

It was sponsored by Mr. Ken Weetch (Lab., Ipswich), who argued that it was an anomaly that building societies should not be under the same legal obligation as other credit agencies to declare the correct cost of the loans which they advanced.

He explained that his Bill would repair this omission by amending the 1974 Consumer Credit Act which gave statutory effect to the principle of truth in lending.

Mr. Weetch recalled that the Act established a standard formula—the annual percentage rate of interest—which credit agencies were obliged to use in advertisements.

He cited the ordinary repayment mortgage undertaken by most owner-occupiers as an example of how building societies could mislead.

Most people, said Mr. Weetch, thought the interest rate on their mortgage was 15 per cent, but that was not the true rate.

Building socieies, he said, charged 15 per cent interest on the whole of the amount outstanding at the beginning of the year and made no allowance for the fact that the monthly repayments made by borrowers covered principal as well as interest.

Mr. Weetch told the House that in the case of a loan repaid over a 15 year term, the true rate of interest was 16.6 per cent; over a 20 year term 16.4 per cent; and over a 25 year term 16.2 per cent.

He insisted: "At the very best this situation is misleading—at worst it is deception."

The Bill will come before the House for second reading on June 19 but may not make further progress.

Thatcher stresses 'moral duty' to defeat inflation

BY RICHARD EVANS, LOBBY EDITOR

THE PRIME MINISTER in an address at a City of London Church yesterday emphasised that the Government had a moral as well as an economic duty to defeat the evil of sustained inflation.

Mrs. Thatcher, speaking at St. Lawrence Jewry, said that for over 30 years the value of the currency had been eroding. Inflation was an assiduous evil because its effects were slow to be seen and relatively painless in the short run.

"Yet it has a morally debilitating influence on all aspects of our national life. It reduces the value of savings, it undermines financial agreements, it stimulates hostility between workers and employers over matters of pay, it encourages debt and it diminishes the prospects of jobs. This is why I put its demise at the top of my list of economic priorities."

Shortly after beginning her Ash Wednesday address on the spirit of the nation, Mrs. Thatcher was interrupted by hecklers protesting that the Government was spending money on armaments rather than jobs. Seven demonstrators, said to be members of the Young Communist League, were led out by police.

Apart from inflation, Mrs. Thatcher said the second and equally great human and economic problem was the level of unemployment.

"I cannot conceal that of all difficulties I face, unemployment concerns me most of all." She argued that none could opt out of a duty to do something about both these problems.

Those in work must fully accept their duty to provide for those who could not find work and employers should try to take on as many young people as possible. It was very depressing for a young person to feel not needed and unable to find a niche for himself.

Among other suggestions was the need to buy more British goods whenever practicable. This would help domestic industries and encourages recognition that when output was not rising, more pay could only come from the pockets of others.

"That responsibility cannot be shirked — it is a personal responsibility and a moral responsibility."

The Prime Minister saw a need to establish a sense of national purpose.

Industry chiefs oppose voluntary training schemes

BY LISA WOOD

THE CHAIRMEN of four big industrial training boards yesterday spoke out against any return to a voluntary system of industrial training.

The Government's Employment and Training Bill, if approved, would give Mr. James Prior, the Employment Secretary, the authority to wind up industrial training boards, and remove Government funding from industrial training.

The only alternative to the statutory system would be a voluntary system paid for by the industries themselves.

Mr. Alec Kitson, deputy chairman of the Road Transport ITB, told a Government employment committee his industry was one of the biggest "cowboy" industries and the ITB had injected and imposed into the industry some measure of training. "If this board disappears," he said, "we are back to the days of the cowboys. Members of my industry would not set up voluntary boards for training."

Lord Scanlon, chairman of the Engineering ITB, said that some employers now wanted a voluntary system as a means of avoiding the cost of training if the Government transferred the annual £50m cost to the industry.

Stability in regional policy seen

By Anthony Moreton

STABILITY OF regional incentives was important for businesses, and further changes before the next General Election were unlikely. The Public Account Committee was told yesterday by Sir Peter Carey, Permanent Secretary to the Department of Industry.

Asked by Mr. Joel Barnett, committee chairman, whether the need for stability meant there would be any further changes, he replied: "I would hesitate to answer categorically but I would imagine we shall maintain the present regime.

The committee was taking evidence on measuring the effectiveness of regional incentives, and Sir Peter said the Government had to be careful before making changes in regional policy measures because they could affect companies adversely.

What evidence there was showed that regional policy was rather more effective in influencing the direction rather than the level of investment.

PM 'not a monetarist' says Healey

MRS. THATCHER was not a monetarist, simply an "old-fashioned Conservative deflationist," said Mr. Denis Healey, former Labour Chancellor, yesterday.

"That is why she refused to make the only U-turn which would provide the basis for a coherent alternative to her present policy," he said.

He called on her to reflate the economy and adopt a pay, prices and productivity policy.

Mr. Healey said Mrs. Thatcher would not increase demand when the economy was working far below its productive capacity. The Chancellor's measures last November would cut demand by £3bn in the next year and the best that could be hoped for from his Budget next week was that he would not add further to deflation.

"The other U-turn she refuses is the most important of all—to seek agreement with both sides of industry on a policy for productivity, pay and prices."

Closed shop in local councils 'disgraceful'

COUNCILLORS OPERATING closed shop policies for their authorities employees should be formally warned by the Government, a Social Democrat peer urged in the Lords.

Lord Harris of Greenwich said the actions of Sandwell and Walsall Councils were a "disgraceful attack" against the civil liberties of employees. He called on the Government to refer the matters to the district auditors for investigation, which could result in a court order to individual councillors to repay the expenditure.

But the Earl of Gowrie, Employment Minister of State, said: "The Government has made its views perfectly clear. I am not a lawyer, but I don't know whether it would be proper for the Government to bring an action of that kind."

Catching the Speaker's eye is one of the logistical problems a new party faces, **Margaret van Hattem** reports

Social Democrat pioneers look for a place in the House

JULIUS CAESAR would no doubt have preferred to end his political career differently. But he was at least spared the embarrassment of returning to the Senate as an ordinary member and sharing a cramped office with Brutus.

For this is the fate which awaits Mr. John Horam and Mr. Giles Radice. Mr. Horam is a founder member of the new Parliamentary Committee for Social Democracy and Mr. Radice is one of the Labour MPs to the right of the party who have chosen to stay on and fight the Left from within.

They share a smallish office and, in view of the pressure of accommodation at Westminster, may have to continue doing so until a swap can be arranged or some other way found to end what will be an increasingly awkward situation.

This sort of minor awkwardness is nothing to some of the obstacles the Social Democrats face in the coming months as they try to establish themselves in Parliament as a party of substance. Their decision to leave the Labour Party this week and form their own party before Easter could cause the biggest Parliamentary upheaval since Ramsay MacDonald formed his National Government in 1931, not least because it is in many ways unprecedented.

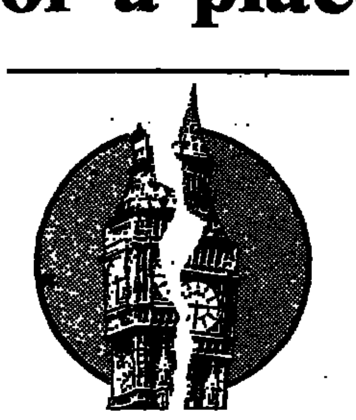
There are few hard and fast rules at Westminster—the conferring of rights and privileges goes largely by precedent, often at the discretion of the officers of the House, the party whips and, above all, the Speaker. The Labour split has launched them all into uncharted waters.

Possibly the biggest struggle immediately confronting the Social Democrats will be to win recognition as a major, rather than a minor, party, with the right to speak early on in debates and the privilege of a party office near the chamber.

In terms of stature, a vast gulf separates the Liberal Party from the Scottish Nationalists, the Plaid Cymru and the various Ulster groups. The Social Democrats will be the third largest group in the Commons but this will not necessarily put them in the same league as the Liberals. The fact that their 12 MPs represent only 255,559 of the votes cast at the last election (0.82 per cent of the total) while the Liberals, with only 11 MPs, won 4.3m (13.8 per cent) and the Scots and Welsh nationalists together won 636,803 (2 per cent) will in some instances weigh more heavily.

The fact that the Social Democrats did not stand as a party at the last election could automatically bar them from certain rights—such as time for party political broadcasts or the financial aid for opposition parties known as "short money." The Liberals' long history at Westminster also gives them a weight that newer parties cannot claim, though their numbers may be greater.

None of these considerations need count more than another when it comes to debates. The prominence given to Social Democrat speakers will be decided entirely by the Speaker, Mr. George Thomas, who determines who speaks and in what order. In so doing he is bound by few rules—he must ensure that all parties, minorities and independents are called as often as their numbers indicate and must observe an order of precedence — the Prime Minister before the Leader of the Opposition, Privy Councillors before backbenchers, Senior Privy Councillors before junior ones and so on.



POLITICAL REALIGNMENT

But he is free to use his own discretion and could, should he choose to regard the Social Democrats as a group of independent backbenchers rather than a major party, seriously frustrate their efforts to make themselves heard.

Both Dr. David Owen and Mr. William Rodgers can, as Privy Councillors, count on being called to speak in debates if they wish—though as in Tuesday's defence debate, they might have to wait until more senior Privy Councillors such as Mr. Enoch Powell or Mr. Douglas Jay finish. The other 10 Social Democrats will depend much more on the attitude of the Speaker.

Outside the chamber things could be more difficult for the new party. If, as is widely predicted, the Labour Party decides to make life difficult for them, its power to do so is considerable—in standing committees, for example, which debate legislation in the committee stage. Only the two big parties are represented on the Committee of Selection which chooses MPs for the standing committees on each new Bill.

Since the Conservatives are showing little interest at the moment in the selection of minority representatives on these committees, Labour could exclude the Social Democrats from standing committees for some time.

The smooth functioning of day-to-day business depends heavily on contacts between the party whips—discretly referred to as "the usual channels"—who keep their own backbenchers in touch with what is going on, arrange pairs, and are generally responsible for the inter-party co-operation essential to the efficiency of the House.

Having resigned the Labour whip, the Social Democrats will depend entirely on their own whip, Mr. John Roper, to keep them plugged in to the Parliamentary machine. He in turn will depend on Mr. Alan Beith, the Liberal whip, who could come under pressure from the Labour whips should they take exception to the new co-operation arrangements between Liberals and Social Democrats.

Some of the most immediate, and most irritating, problems are likely to stem from mundane considerations—such as where to sit in the chamber. Members tend to sit in the same seats, day after day, and even if they wanted to switch, would not be encouraged to do so by the Speaker. The Social Democrats are currently dispersed throughout the Labour ranks and though they would prefer to sit in a block, may have trouble persuading other MPs to swap places.

They would probably also like to have their offices grouped together, rather than sharing with their former Labour colleagues, and to have a party office near the chamber. But the Sergeant at Arms, a politically neutral officer responsible among many other things for allocating rooms, has no option at present but to tell them that all the available rooms are taken. Since the question is becoming increasingly political, it may be referred to the Services Committee, which could then instruct the Sergeant at Arms to change the present arrangements.

The Social Democrats are themselves trying to arrange swaps to relieve the most acutely embarrassing situations. But the logistical battles have fairly low priority at the moment—there is a much bigger war to be won.

Technical Page

EDITED BY ARTHUR BENNETT AND ALAN CANE

Two ship-to-shore bridges go in

TWO OF the semi-buoyant ship-to-shore bridges called "Linkspan" made by Marine Development (Glasgow) have been commissioned for placing at Weymouth (on April 9) and Cork, Irish Republic (by May 31) this year.

Because of its clear road communications, Weymouth is considered to provide an essential link to the Channel Islands by the shortest sea crossing. British Rail's new wide-ramp ferry is unable to berth at the existing terminal, and Weymouth and Portland Borough Council has been faced with two headaches — the substantial cost of rebuilding the terminal, and the brief time available for so doing before the vessel enters service early next April.

Roll-on/roll-off specialist Marine Development was able to submit designs for one of its Linkspans to be fully operational by the spring deadline as a replacement for the original mechanically-operated ramp. The equipment had to be adjustable to the beam of the larger ferry without the need to remove the terminal's existing dolphins.

This bridging unit will be 30 metres long with a 3.5 metre wide traffic lane and an outer apron of 11 metres. Designed to withstand berthing impact from a 6,000-ton vessel moving at 1.25 metres a second, it will be adjustable for beams of 21 to 25 metres and freeboards of 1 to 3.5 metres, and its load capacity enables it to accept convoy loading of normal private and commercial vehicles.

The other unit will be installed on the western side of Cork's outer harbour at Ringaskiddy. Here, the Cork Harbour Commissioners have instigated a £10m reclamation and development scheme which provides for a heavy duty Linkspan to carry car, commercial vehicle and heavy forklift traffic, with a double traffic lane 7 metres wide, opening to 16 metres on the apron.

Cuts wire to length

AN AMERICAN wire measuring meter fitted with an integral cutting device, marketed in Britain by Eraser International, Andover, Hants (0264 51347), is claimed to measure wire, cables and other flexible materials to any length up to 999 ft. It is self-adjusting for different diameters and will accept the smallest up to 1 in outside diameter.

The wire or cable to be measured is passed between two machined steel rollers which drive three indicator dials through a gear train. The meter will also measure backwards, enabling over-runs to be rectified. A steel blade permits measured lengths to be cut. The wire meter, known as Model 220, weighs 4 lb and requires no power supply.

Vulcan and Helen: lasers of unusual power

BY DAVID FISHLOCK, SCIENCE EDITOR

VULCAN AND HELEN live only a few miles apart, in the centre of England. They communicate rather coyly. While "he" keeps open house, as the heart of the Science Research Council's central laser facility at the Rutherford Laboratory, "she" is incarcerated behind the tall steel fence of the Atomic Weapons Establishment at Aldermaston.

VULCAN claims to be the world's most versatile laser. HELEN claims to be Europe's most powerful laser. Between them they have cost the British Government about £9m—for a capability in laser physics probably unexcelled within Western Europe.

A scientific committee plans the activities of VULCAN, a facility the government makes available to university and other research groups throughout the UK. But a chaperone from Aldermaston sits upon this committee to make sure that no experiment proposed for VULCAN could intrude upon the activities of Aldermaston in designing and testing nuclear weapons.

Target chamber of Aldermaston's HELEN laser in which two beams can strike a target simultaneously from opposite directions

Diagnostics

VULCAN is the name* given to the latest development of the Rutherford's big laser, uprated last autumn at a cost of about £800,000. This brings to about £2m the Science Research Council's investment in this facility since 1976, says Dr. Alan Gibson, its director.

In its latest form, two research teams can use VULCAN simultaneously, provided they are doing different kinds of experiment. For example, one team can be doing an experiment with the laser to compress tiny globules of gas, using the intense pressure of laser-light rays to crush materials into novel states; while another is using laser light as a way of illuminating another experiment, in laser diagnostics.

VULCAN has been developed by the team led by Dr. Gibson, as a tool capable of tackling a very wide range of experiments from UK universitives and polytechnics. With such a powerful laser it is already possible to manipulate atoms and microscopic particles of matter. In this way atoms or particles can be separated, levitated, chanelled, or forced to combine together chemically. Mixtures of isotopes of the same atom can be separated cleanly.

HELEN has been developed by radiation physicists at Aldermaston, with the help of the Lawrence Livermore Laboratory of the U.S. Department of Energy, one of the three U.S. nuclear weapon research centres. Britain has an agreement on the exchange of nuclear weapon technology with the U.S. The purpose of HELEN—20 times as powerful as Aldermaston's previous laser for weapon physics—is for simulating some of the conditions generated in a nuclear explosion. For example, with bolts of light from HELEN they hope to simulate shockwaves and the way energy is transported in an exploding weapon.

HELEN has cost about £7m—including a refurbished building—and took about a year to commission, says Mr. John Weale, head of radiation physics at Aldermaston. In recent months Aldermaston has begun the first research programme with this neodymium-glass laser. It produces bolts of infrared light at power levels exceeding 1 terawatt (one million million watts). The accompanying illustration shows the target chamber, a pressure vessel evacuated to a very low pressure, in which targets typically only 0.1mm in diameter—small enough to pass through the eye of a needle—can be mounted.

One type of target is a micro-balloon of glass, 1 mm across, glued to the end of a glass fibre. The micro-balloon can be filled with such substances as a mixture of deuterium and tritium, two isotopes of hydrogen which, under extreme conditions of pressure and temperature, "fuse" in a thermonuclear reaction—laser fusion. The radiation from HELEN when finely focused will implode the micro-balloon, producing conditions at least approaching the pressure and temperature needed for fusion. Pressures as high as 20m bars (atmospheres) can be generated in this way.

Ultimately weapon physicists hope to build lasers powerful and versatile enough to simulate all the physics of a nuclear explosion. This means also simulating the big release of neutrons. Such a technique could have immense advantages to nuclear weapon designers who today rely heavily on underground weapon explosions to verify their calculations, in a field of physics they admit is still imperfectly understood. For Britain, which hires the U.S. nuclear test site in the Nevada desert, each underground test takes about a year to prepare. With HELEN three or four "shots" can be carried out every day.

As a research tool, HELEN has three spheres of potential interest for Aldermaston: weapon physics, the simulation of nuclear explosions, and the separation of isotopes to make highly refined nuclear explosive, such as pure plutonium-239 from spent nuclear fuel. For the moment interest is focused on perfecting weapon physics. The Aldermaston scientists say that HELEN should help them "polish up ideas in the laboratory" and get more data out of the underground tests.

But the man from Aldermaston on VULCAN's steering committee keeps a wary eye open for any experiment a university or the Rutherford Laboratory itself may propose which might encroach upon any of these three weapon interests. He has the power to veto such a proposal. So far the two teams have respected the boundaries. "In four years at no time have we been told not to do something," says Dr. Gibson.

Nevertheless, Dr. Gibson claims that his team has come up with a discovery of considerable interest to the Aldermaston researchers. This is that power is not the only desirable property in this kind of experiment, at least for studies in the compression of matter. It has found that it can get a substantial increase in pressure—at least by a factor of three—by halving the wavelength of the glass laser. This has been done by using a phosphate-glass laser instead of neodymium-glass.

Power of veto

VULCAN is the result of a major modification of the original laser. Its bolts of light are now green instead of red. The Rutherford claims that all teams working with very high power lasers are now making the modifications the laboratory has made in VULCAN, to heat and squeeze targets at extremes of pressure and temperature.

The Lawrence Livermore weapon laboratory in California was so impressed with the work that it has invited VULCAN's researchers to propose an experiment for its SHIVA laser, some 40 times more powerful than either VULCAN or HELEN.

* *Versicolor Ultima Lux Cohaerens pro Academica Nostra ("the latest multicolour coherent light for our academics").*

NEWS IN BRIEF

MEASUREMENT

AN ELECTRONIC co-ordinate determination system designed to measure large objects in industrial environments is claimed to provide accurate non-contact measurement with a repeatability of 1 in 100,000 in the range section up to 50 ft. The system, introduced by Hewlett Packard (0734 784774) and known as the HP 3822A, comprises electronic digital theodolites and an HP 9845T desktop computer.

Operation simply requires the two theodolites to be aimed at the measurement point. The computer then automatically reads the instrument angles, translates the spherical co-ordinate data into X, Y and Z co-ordinates, and prints out the results along with the system status information.

The 3822A is designed for applications such as aircraft assembly inspection, ship profiling, and jig-and-fixture quality control. It is also suitable for site planning and mapping, precision alignment and volume determination, HP claims. The complete system, including computer, weighs 335 lb.

BEARINGS

GROWING WITH the demand for video cassette recorders is the need for rotating video-record/replay heads and tape guidance rollers with low friction, long life bearings which are virtually noiseless.

Ultra quiet bearings for VCRs, and offering a variety of other industrial and specialist engineering applications, are produced by NMB (UK), The Gate House, 2 Park Street, Windsor, Berks (Windsor 57324). The "noise control" bearings are offered in three quality grades.

MACHINING

SPECIFICALLY designed for training purposes and light duty general purpose applications is the Harrison T300 lathe which sells at only £2,499 including three-jaw chuck.

This offers 635mm between centres, a swing of 330 mm over the bed and 210 mm over the cross slide, and provides an in gap diameter of 480 mm by 115 mm in length, and a spindle bored to pass 38 mm.

The machine's all geared 12-speed headstock has a range of 20 to 1,250 rpm, a 12-speed quick change gearbox caters for 26 metric threads from 0.5 to 8 mm pitch; and 17 metric feeds from 0.05 to 0.80 mm.

More on 0924 403751.

COMPUTER SERVICES

SCICON Computer Services is offering a new range of computer services for the mechanical design of pressure vessels and pipework.

Customers can run the programs at Scicon's Milton Keynes computer centre or can access them using terminals on their own premises.

Supplied by the Computer Aided Design Centre in Cambridge, the programs cover vessel design to BS 5500 and ASME VIII standards, and pipework design including stressing, network optimisation and flare header analysis. More on 0908 565656.

Curvilinear hacksawing machines

A RANGE of metal hacksawing machines with a hydraulic downfeed and a curvilinear cutting stroke to impart a broaching action to the blade has been introduced by the Addison Tool Company, Acton, London W3 (01-993 1661). Known as the Jubilee HS 225A, the machine has a heavy-duty vice, a top clamp for bundle cutting, and a "quick-set" brace to keep the vice jaws parallel when clamping short bar ends.

The vice is also arranged to permit mitre (angled) cuts and can be repositioned when required so that unused parts of the sawblade length can be fully used. This is claimed to be a useful asset when cutting small bars and sections which in normal operation are cut by only a few of the hacksaw teeth. The leading screw on the vice is protected against swarf.

An adjustable timer on the control panel determines the height to which the saw rises at the end of each cut, thus avoiding unnecessary idle time when cutting material below the machine's maximum capacity and providing a simple and rapid method of setting the head height without any mechanical adjustment. The machine weighs about 490 kg and is powered by a 2 hp motor. The recommended selling price of £1,395 represent about £2.85 per kg, says Addison.

THE MARKETING SCENE

BY MICHAEL THOMPSON-NOEL

Its cost is modest but in just eight months, British Rail's corporate advertising campaign has created the desired impression in high places

BR gets the message across

NO WONDER the British Association of Industrial Editors has just voted Sir Peter Parker, chairman of British Rail, communicator of the year.

Not only is his stock among nationalised industry chairmen riding high, but it seems *increasingly likely that early* Government approval for a major investment programme for the railways can be expected, whatever the political discomfort of Ministers over the rescue of the State steel industry and the financial concessions for coal forced upon them by the miners.

BR is asking for a major electrification programme for the railways, costing up to £775m, over 20 years, plus a two-thirds increase to £450m a year in other rail investment to renew ageing equipment and facilities across the network.

The Association of Industrial Editors (whomsoever they may be) may have been more on the ball in voting Sir Peter top communicator than even they imagined, for it is British Rail's own view that the recent marked improvement in its own *business reputation, and its* success in stimulating the debate about financing the railways, can be traced—in good *part—to the bold corporate* advertising that it launched last year, a campaign with which Sir Peter is closely involved.

Prior to 1979, British Rail employed three advertising agencies, one to promote the concept of rail travel in London and the South-East, another touting Inter-City, and a third producing corporate ads.

According to Grant Woodruff, BR's director of Public Affairs, BR's marketing attitude prior to 1977 had incorporated a subliminal acknowledgement that corporate advertising was "*good*," though it was carried out in a relatively immature way.

All that changed in November, 1979, *with the appointment* of a single agency, Allen Brady & Marsh, to handle the whole of BR's advertising. For BR's *passenger campaign, ABM last* year produced 12 TV commercials, as well as a mountain of supporting material. But it also worked closely with BR and its chairman to thrash out a corporate advertising strategy aimed at presenting the railways' image as that of a modern, well-led, well-managed, efficient and popular customer-oriented business.

The essential purpose of the campaign, it was decided, would be to tackle fundamental issues to do with financing the railways.

Terry Kirk

Sir Peter Parker, chairman of British Rail: vigorous communicator

The target audience: opinion-formers, defined by BR, in this context, as "politicians (especially Tory MPs), local authority leaders, heads of industry, the media, senior civil servants."

The campaign's tone: "Confident, successful, authoritative."

The cost: approximately £250,000 over the second half of last year, and a budgeted £500,000 for 1981. (This is out *of a total promotional budget* for 1981 of around £19m., of which BR says an estimated £10m-£12m will be spent on media advertising).

The ads ran in the quality papers. The first, headlined "How long can we go on running the most cost-effective major railway in Europe?" trumpeted the fact that (on 1977 figures) BR was 71.2 per cent. self-financing and that only Sweden, with a relatively small rail network, had a higher self-financing ratio in Western Europe than BR's own.

It extolled BR's "marketing achievements" (its passenger sales mileage and extensive market pricing) and observed that not only was Britain's relative State contribution to the cost of the railways the lowest in Europe, so was is level of investment measured in £'s per *train kilometre*.

"Today," it said, "we are running the railway very hard to stand still . . . With a far-sighted approach towards finance and investment, Britain can and will go on running the most cost-effective major rail*way in Europe for as long as the* railways run."

The second ad set out the basic justification for further electrification of the network, but it was the third that was most provocative, stating that the average cost per mile of the sections of the new M25 motorway under construction last Februdary 1 was £8.4m (allowing for overheads)—enough to buy four High Speed Trains or electrify 28 miles of route.

The ad asked for fairer quantifying between road and *rail projects—prompting Trans*port Minister Norman Fowler to tell the House of Commons that he did not think this a "*particularly* distinguished piece of advertising by British Rail," nor did he think there any justification for "expensive and barren knocking matches" between road and rail.

There were four corporate ads in total, plus a Commuter Campaign in the London evening papers.

Did the corporate ads work? Mr. Woodruff claims the campaign "has unquestionably had tremendous effect." Of the Motorways advertisement he says: "The road lobby swept into action with letters to the newspapers challenging what we had said . . . This provided us with the opportunity we had planned for, to reply with carefully constructed letters from Sir Peter Parker to further illuminate the issue."

Further, BR has detected a definite Ministerial mellowing *of late, and the tendency of* Ministers and civil servants to adopt some of the language of the corporate campaign. On Scottish Television on January 14, Mr. Fowler said: "In terms of cost-effectiveness, British Rail, I think, stands comparison with any other railway system in Western Europe."

BR has also detected a significant increase in the number of Parliamentary questions asked about British Rail. On January 28 there were no fewer than 32 written questions for the Secretary of *State, half of them relating* specifically to levels of rail investment. And it says there has been a marked improvement in Fleet Street's treatment of BR as a serious and deserving candidate for much higher levels of investment.

The BR campaign is almost certainly the boldest, most vigorous and most skilled use of corporate advertising by a nationalised concern seen in *Britain to date. BR says it* knows it is walking a tightrope—that the last thing it wants is to alienate the Government by parading sensitive transport and political issues in public in a way that would transgress the bounds of reasonable persuasion.

It reckons it has kept its balance so far, and plans a corporate ad a month for the next full year.

'BLOW TO MORALE' AT McCANN

Tesco's £8m. switched to Grandfield Rork

TESCO, at present jousting with Sainsbury's for domination of High Street grocery sales, has taken its £8m advertising account away from McCann-Erickson, its agency for the past four years, and awarded it to Grandfield Rork Collins, whose chairman, Nigel Grandfield, was *formerly* chairman of McCann.

The move marks a major coup for GRC, formed only 18 months ago, but is a body blow to McCann, where lay-offs may be inevitable. Tesco was McCann's biggest single account.

Tesco is offering no clue as to whether the appointment of GRC means a revival of the Checkout campaign that precipitated the UK grocery price war four years ago. But with trading conditions tough, it is *estimated that food retailers'* total expenditure on advertising this year will exceed £30m.

All Tesco would say yesterday was that the appointment of GRC was "absolutely right" for the company's future needs.

McCann-Erikson was one of the fastest-growing major agencies of the mid- and late-1970s, but progress has slowed.

Chairman Ann Burdus said yesterday the Tesco loss was "a considerable blow to morale, particularly as we were convinced that our work for the repitch, as well as that of the past four years, was absolutely first-class."

The three GRC founders, Nigel Grandfield, Graeme Collins and Andy Rork, were all formerly at McCann. Three weeks ago GRC's annualised billings rate was put at a little over £10m, so that the gain of Tesco easily stamps it as the fastest-growing of Britain's newer *agencies*.

It recently moved to bigger premises, and appointed its first media director. Mr. Grandfield resigned the McCann chairmanship in April 1979, saying it was "a refreshing change to get back to the real business of advertising instead of being buried by the bureaucracy of a group like Interpublic" (McCann's U.S. parent).

Etcetera

● REMINGTON CONSUMER Products *is moving its UK and* European media planning and buying to Young and Rubicam and will handle creative work itself. The account, worth £619,000 in MEAL terms last year, was formerly at Davidson Pearce. The win takes Y&R's independent media billings to a claimed £16m. At the same time, Davidson Pearce has won the £500,000 Jameson Irish Whiskey account.

Advertising costs

HIGHER ADVERTISING costs last year are reflected in the Advertising Association's index of media rates for 1980, showing an overall 24 per cent gain on 1979.

The AA's combined media index (1970=100) moved from 327.6 in 1979 to 406.3 last year—the highest annual percentage gain since 1975 and the second highest since 1970.

That media rates rose faster than the rate of retail or wholesale price inflation last year, says the AA, was almost certainly attributable to very high demand for airtime and print space in the first half of 1980 in the wake of the 1979 ITV strike.

The AA's TV index rose from 342 to 440 (+28.4 per cent) last year, while its Press index rose from 323 to 396 (+22.6 per *cent). On a similar basis* (1970=100), the retail price index rose from 306 to 361, while the wholesale price index moved from 412 to 494, says the AA.

Amidst the chaotic struggle of Italy's private television stations, Dr. Silvio Berlusconi's Canale 5 is the only one so far to have signed an agreement with UPA, the Italian advertisers' association. William Carnahan reports from Milan

Prince of the airwaves

IN THE STAR Wars raging in Italy's ether, the impending debut of Europe's first commercial breakfast television station has confirmed the supremacy both of Canale 5 and of its founder, Dr. Silvio Berlusconi.

Almost unheard of outside his native Lombardy until four years ago, Dr. Berlusconi made *his fortune in building and real* estate before entering the almost totally unregulated private television field with the founding of Telemilano in 1976.

Telemilano is now the linchpin of a national network of 26 other stations (13 wholly owned), whose advertising revenues this year are expected to reach Lira 30bn.

Canale 5 is the only Italian TV group to have signed an *agreement with the powerful* advertisers' association, UPA, and the only one so far to have wrung from the authorities the righ to use the Government's space satellite for transmission of intercontinental news events live.

The latter struggle gained Dr. Berlusconi priceless publicity, plus support from the purlieus of the presidential palace to the uttermost village *sporting club in Sicily.*

The reason was that he wanted to screen the Mundialito soccer championships in Uruguay (December 30-January 12) *in* which Italy was playing (ingoriously, as it turned out), the monopoly RAI-TV having planned no live coverage.

The Byzantine intricacy of the deal that was eventually worked out could not obscure two important facts. First, that *Dr. Berlusconi had established* a precedent for a private TV station to claim use of the Government satellite for foreign news or sports events; second, that he had obliged RAI-TV to deal with him as an equal.

Advertisers, including Buitoni *(IBP), Cinzano, Johnson* and Johnson and Candy were delighted with their exposure, and the replays proved almost as popular as the *original* screenings.

All this was watched with modified rapture by the other private networks which, with plans of their own for crowd-catching intercontinental broadcasts, had to back Dr. Berlusconi's bid for air rights, even though they are still smarting over his accord with UPA.

Most of them are the offspring of old-established publishing *houses (Rizzoli*, Mondadori, Rusconi, Peruzo, Manzoni). More at home with words and concepts, they are put off by his *big business* approach and easy relationship with other industrialists.

A member of the executive *council of Consortuim, an* econmic study group that includes Fiat, Pirelli, Zanussi, Marzotto and Mediobanca, Dr. *Berlusconi, who owns 37½ per* cent of the conservative Milan daily Il Giornale Nuovo, is also close to Centromarca, an associ*ation of hardnosed multi*national consumer goods manufacturers heavily represented on the board of UPA.

It was Centromarca that pushed through UPA's one-man accord with Berlusconi, incorporating certain guarantees about placement of national advertising, time limits, sponsorship and monitoring—not all of whihc his competitors can match.

"To live on advertising a commercial TV enterprise also has to live *for* advertising, with a clearly defined purpose: to increase sales of the products advertised." Berlusconi said recently.

He also gives industry a boost in his programming. In an effort to combat a pervasive hostility to big business, a regular feature of his new 11 p.m. news and comment show will be a weekly programme, "Made In Italy," *touting new Italians processes* and products.

The planned breakfast programme, Buongiorno Italia, will be pitched mainly at housewives. Initially running for only an hour, it is hoped later to extend its mixture of news, commentary, advice and interviews until noon.

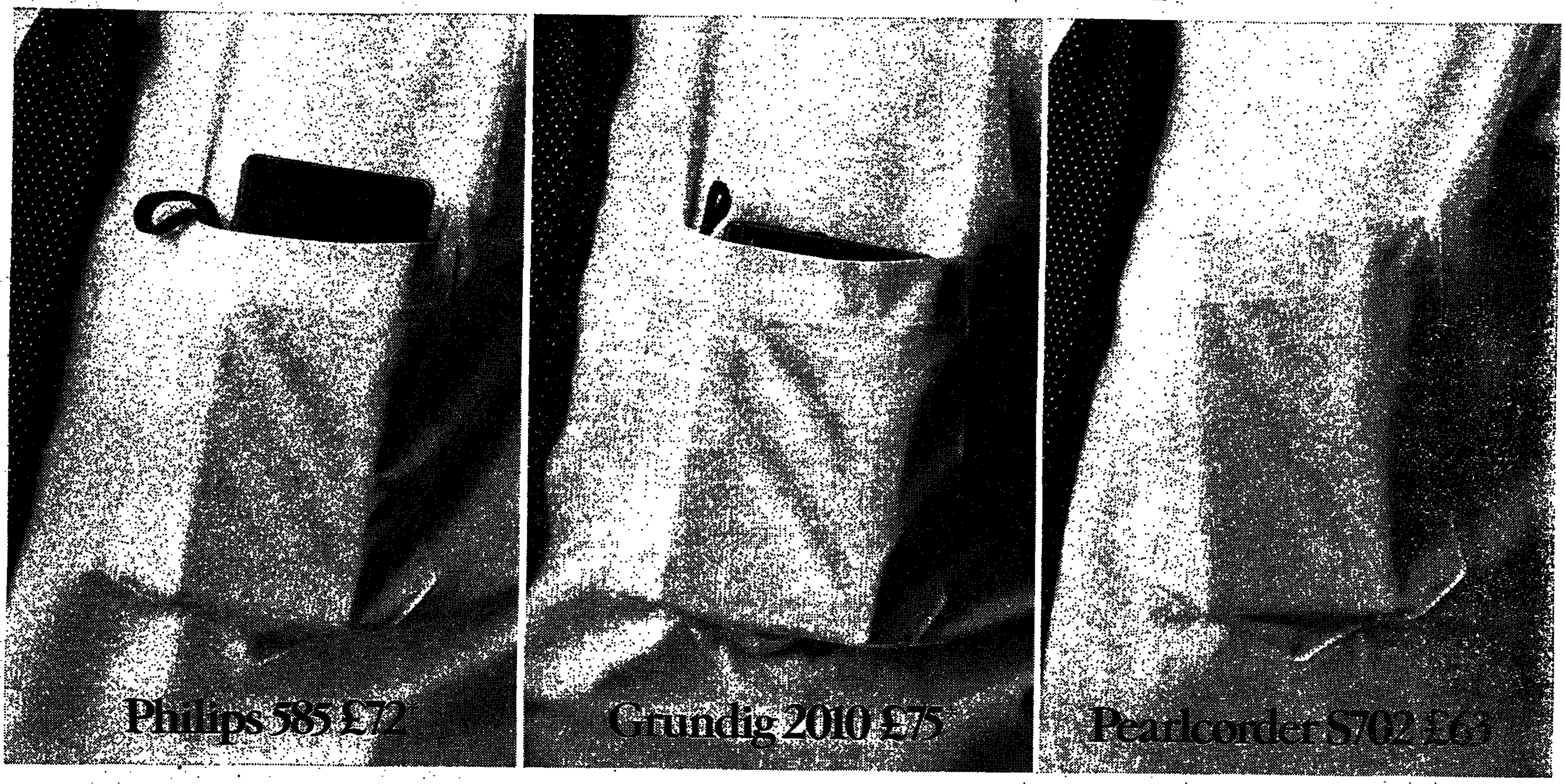
Another group he is itching to get at includes a chunk of the estimated 20m. viewers who are now fed their carefully balanced evening news diet by RAI. Despite his successful satellitemanship, Berluscon must wait for his goal, a simultaneous network news show broadcast in peak evening time, until the Constitutional Court hands down a decision in a suit brought by RAI against a *rival*, Primarete Independente (Rizzoli), which wants to do the same.

Settlement of the Rizzoli case is just one of three factors which could make this a watershed year for Italian TV. In September the Government's contract with RAI is up. Though RAI is unlikely to lose its franchise, some modifications in its statutes are expected, and may work to the advantage of advertisers.

In addition, a law finally bringing order to the free-wheeling chaos of private TV is tortuously working its way through Parliament, and could be ready by the autumn.

هكذا من الأصل

Which pocket dictating machine you buy depends on the size of your pocket.



Our Pearlcorder, as you can see, cannot match its rivals' greatness.

It is humbler in the pocket. It is less grand in price.

Our tape cassette, too, is no big deal. It is both smaller and cheaper than our competitors.

Same goes for the device your secretary needs to type your honeyed words. Our transcriber unit takes less money to buy and less desk space to use.

With so little to recommend us you may wonder if we haven't simply cut corners.

Shame on your scepticism.

Our dictating machine has been engineered by the pioneers of micro-technology. The very same scientists who created the world's first miniature 35mm single lens reflex camera, the Olympus OM1.

Our Pearlcorder is, for instance, capstan driven.

The old-fashioned reel drive system is not efficient enough for us. (Though it passes muster for one machine on this page.)

Our microphone is of the most advanced condenser type.

It misses nothing. Catching dropped pins at 30 feet.

And what our mike picks up our tape records. Without distortion.

Indeed, it will be faithful to your every word for considerably longer than our rivals.

They provide only 30 minutes of tape time. We encourage your verbosity to the extent of one full hour.

To which end you may find our tie-clip microphone and telephone pick-up useful.

(Buy the Philips or the Grundig and you'll not find them at all.)

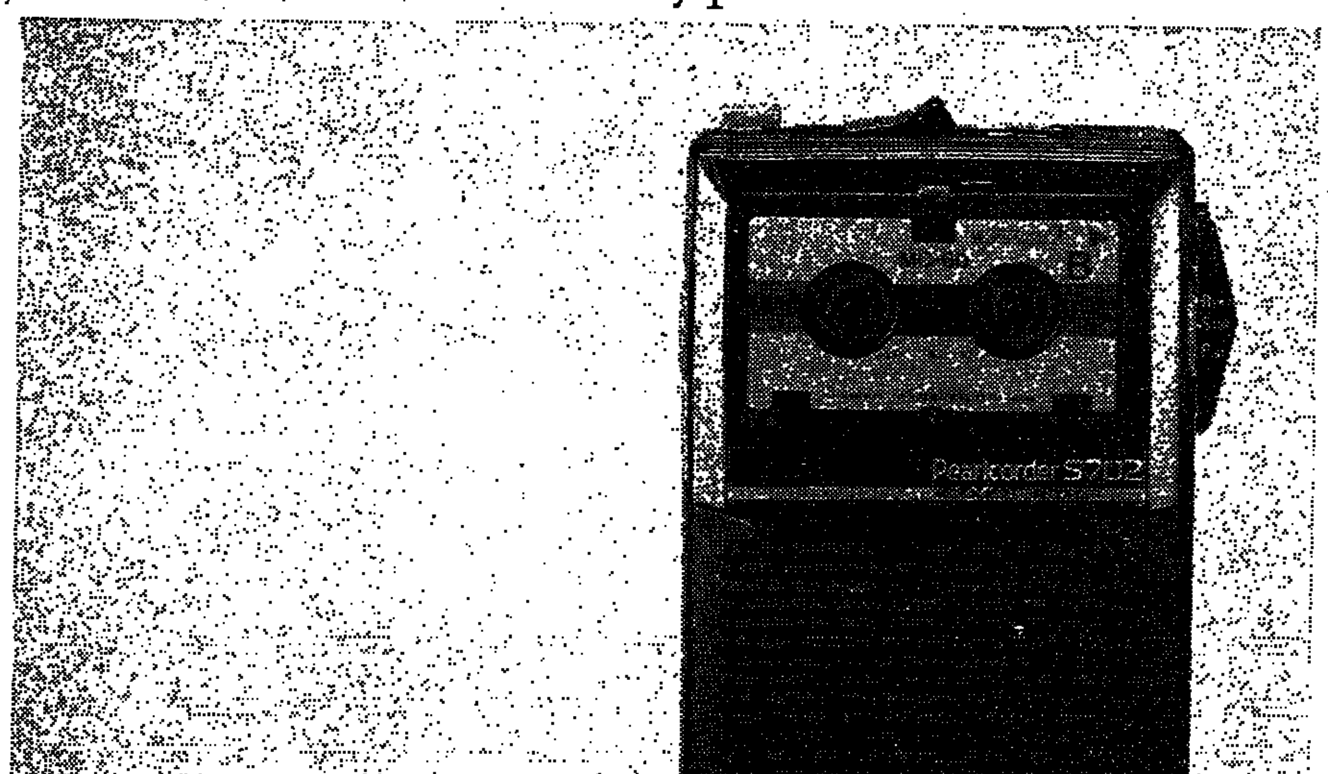
Our choice of accessories, in fact, is embarrassingly large.

As is our range: five dictating machines for every level in your organisation. (Three of our machines offer 2 hours of tape time and turn themselves on at a sound.)

Use the coupon and we'll tell you more about our machines.

We'll also send you the addresses of our dealers. They can arrange a demo for you.

Your own voice can be very persuasive.



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Results of Professional Examination II held in December 1980

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Grocock, A. F. (K. H. Bowden), Leicester
Grodzinsky, G. L. (Mrs.) (J. D. S. Ainscow), Leamington Spa
Gromadski, J. G. (J. B. Studdard), London
Groves, P. J. (J. B. Scott), Bristol
Grundy, A. T. (E. J. Shaw), Leigh.
Gujadhur, C. K. (A. M. Bond), London

H
Haag, M. M. (A. G. Herron), London
Hafeez, M. R. (M. E. Webster), London
Hague, J. M. R. (D. H. Graham), Kendall
Haines, M. C. (P. J. Standish), London
Hajl-Sevva, G. N. (P. L. James), London
Haliyehya, M. A. B. (P. C. Macnamara), London
Hall, P. A. (W. M. Hoffman), London
Halliday, J. D. (D. Armitage), Leeds
Hamlyn, M. C. (B. C. Youngman), London
Hamway, N. J. (W. M. T. Fowle), London
Hance, J. C. (D. J. G. Rorison), London
Hancock, S. (I. C. Killick), Eastbourne
Hann, P. A. (D. Allen), Eastbourne
Harding, B. E. (Miss) (E. S. Dixon), Farnham Common
Hardy, D. R. (A. J. Keravan), Hull
Hare, S. G. (R. Law), Liverpool
Hargrave, J. C. (Mrs.) (A. J. Foulsham), Oxford
Harling, A. P. (D. A. Robson), Manchester
Harman, D. F. (L. J. Chrisfield), London
Harrigan, M. J. (M. R. Hurst), London
Hart, J. B. (B. Bouttall), Darlington
Hartley, S. C. (A. Thomas), Swansea
Hartnoll, C. (M. B. Lloyd), Birmingham
Hartt, R. J. (R. A. J. Bartlett), London
Hasan, A. A. (A. A. E. Glanton), Newcastle-upon-Tyne
Hasseck, R. I. (M. J. Fiszzon), London
Hasson, S. D. (R. W. Whewell), London
Hatch, R. W. (R. T. Summerfield), Cambridge
Hatcher, C. D. (W. C. Davies), Cardiff
Hayers, R. M. (R. J. B. Alexander), London
Hayes, A. S. (E. G. Stanley), London
Hayfield, C. J. (R. W. Chetwynd), London
Haynes, R. E. (R. C. Hoing), London
Hayter, R. J. (H. Jevons), Leeds
Heah, S. L. (M. B. Silverman), London
Healy, G. J. (G. C. Peat), London
Hearn, E. J. (Miss) *(H. S. Brown), Birmingham*
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Heather, M. T. (D. C. Hobson), London
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Heenans, S. J. (O. H. Thompson), London
Hemblys, R. (M. D. Wilson), Halifax
Hemming, J. D. (W. H. Eldridge), Chelmsford
Hendry, D. C. (R. P. A. Whittaker), Luton
Heritage, V. H. (O. W. Newland), Bristol
Heywood-Waddington, N. R. (E. E. Ray), London
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Hill, C. J. (B. F. Burns), London
Hill, Y. D. (Miss) (E. J. G. Healey), Manchester
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Hind, R. N. (T. C. Kirby), Hull
Hindess, I. R. (J. M. Stanley), Newcastle upon Tyne
Hindle, H. J. (W. J. Newton), Birmingham
Hinton, C. W. K. (R. W. Hibbs), Cranleigh
Hipple, D. S. (I. R. Bryce), Hull
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Hobbs, D. J. (N. A. Watt), Leeds
Hobson, S. M. (A. Edge), Manchester
Hockley, P. M. (R. Lubell), London
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Hodgson, R. N. (J. C. Groves), Hull
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Holmes, A. D. (P. D. Bailey), London
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Hopper, R. F. (A. M. Blake), London
Hornby, A. R. (J. W. Cowper), Croydon
Hornby, K. E. J. (D. J. Turner), Southampton
Horne, C. D. (G. R. Cole), London
Horrigan, S. P. (N. M. Berg), Cardiff
Houldsworth, V. M. (P. Broomhead), Cleckheaton
Hounslow, P. (T. R. Marshall), Bedford
Howard, M. A. (D. J. Playfoot), Tunbridge Wells
Howe, T. J. (B. J. Wilson), London
Hugh, R. (W. A. Jenkyn-Jones), Newport
Hughes, G. T. (C. R. Palmer), Hull
Hughes, P. G. (M. I. Stillwell), London
Humphrey, K. B. (G. J. Cushion), London
Humphrys, J. W. (W. J. Newton), Birmingham
Hunt, N. T. (J. W. Pickard), London
Hunter, A. P. (J. R. Adcock), Birmingham
Hunter, G. A. (M. A. Gash), Birmingham
Hurford, M. S. (M. R. Lacey), Nottingham
Hutchings, L. D. (A. G. Betts), Birmingham
Hutchinson, J. (B. Everitt), Goole
Huxtable, F. W. (S. L. C. Tester), London
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Hynes, M. C. (A. Davis), London
Hyslop, A. (R. S. Sanderson), Sheffield

I
Ibbotson, I. R. (R. L. Hurley), London
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Irwin, N. A. M. (M. J. Wheeler), London
Islam, Q. (G. W. Cross), Birmingham

J
Jackson, C. N. (D. R. Briggs), Manchester
Jackson K. J. L. (P. Makin), Preston
Jackson, R. M. (C. A. S. Pain), London
Jackson, R. (M. J. Blies), London
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Jasani, A. (J. P. Cunnington), Leicester
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Jeffreys, S. R. (J. C. Truscott), London
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Jerram, D. J. (B. C. Youngman), London
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Johnson, R. A. (J. M. Cholmeley), London
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Johnston, K. E. (Miss) (T. W. Allen), London
Johnstone, J. S. (R. J. Blincow), London
Jones, D. R. (A. H. Nelson), Wolverhampton
Jones, G. C. (C. J. Lowe), London
Jones, N. R. (P. I. Woods), London
Jones, P. N. (T. J. Hopes), Birmingham
Jones, W. C. D. (D. Brown), Tarporley
Journeaux, G. E. (L. J. Monument), Jersey
Jubb, D. A. (J. R. Chapman), Leeds
Jubert, J. R. (W. R. Wallis), Twickenham
Judson, J. M. (Miss) (P. W. Barrows), Newcastle upon Tyne
Juthani, K. K. R. (A. D. Morris), London

K
Kamath, S. S. (J. W. Smith), Richmond
Kamte, A. A. (G. L. Feldman), London
Kang, E. B. (S. Pollack), London
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Kapur, S. (T. H. Dowling), Esher
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Kaye, N. S. (D. J. Rosenberg), London
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Kershaw, B. (Miss) (E. J. W. Oyler), London
Kesar, V. K. (J. R. Adcock), Birmingham
Kettlewell, A. J. (F. J. Fullerton), Leeds
Khaled, T. M. (P. Creasy), London
Khan, A. S. (L. H. Axles), London
Khan, M. T. (G. W. Sykes), London
Khan, S. A. (D. R. Robson), Newcastle upon Tyne
Khanderia, K. D. (J. M. Sanders), London
Khannak, A. A. H. (R. B. Sharpe), London
Khaw, B. T. (K. R. Sykes), Liverpool
Kidd, R. H. (J. O. P. Jordan), Winchester
King, A. J. (A. G. Elliott), Harrow
King, R. H. L. (W. G. Rodrigues), London
Kirkland, A. J. (J. R. Saffery), Birmingham
Kiernan, A. M. (Miss) (J. G. Laurance), London
Kirton, C. H. (S. A. G. Bannister), Guildford
Knapp, C. (Mrs) (C. F. Bennett), Oxford
Knott, K. J. S. (P. Desmond), London
Ko, B. L. (D. M. Barke), Croydon
Kogan, L. H. (J. M. Blatt), London
Kokkinos, M. (T. W. Haydon), London
Koval, A. (J. S. Smith), Oldham
Krasner, I. C. (W. H. J. Mordy), Leeds
Kyprianou, K. (E. S. Townley), London

L
Lake, N. S. (A. F. M. Beeley), London
Lam, W. H. (T. Hoffman), London
Lam, W. L. (E. W. Coleman), London
Lamb, D. E. S. (Miss) (M. Metcalfe), Carlisle
Lamb, S. J. (J. D. S. Harrison), London
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Lee, G. R. (V. M. Winchcombe), London
Lee, J. H. (E. B. Lewis), London
Lee, K. C. (K. C. Foster), Worthing
Lee, M. A. (B. W. Pomeroy), London
Lee, M. L. (G. W. Lander), Dudley
Leeder, D. J. (C. P. Falers), Diss
Leong, N. L. (G. M. Graff), London
Lesser, H. A. (K. K. Sethi), London
Lewis, A. V. (Ms) (P. A. Witard), Colchester
Lewis, D. G. (H. J. Leadley), London
Lewis, L. S. (H. R. Cropp), London
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Li, D. (W. List), London
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Lim, E. F. (Mrs) (A. C. Blake), London
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Lingard, P. (I. P. A. Stitt), Leeds
Lloyd, A. D. J. (Miss) (D. R. Cook), Bristol
Lloyd, M. R. (J. G. W. Dodd), Croydon
Loh, C. L. (P. L. Simmons), London
Long, H. K. (D. G. W. Ballard), London
Long, R. E. (D. L. T. Morgan), Wembley
Lovell, P. (J. A. M. Ross), London
Loveluck, C. P. (J. B. Hunt), Taunton
Lu, L. S. (Miss) (R. Rendell), London
Lucas, M. A. (Miss) (M. E. Thompsett), London
Lucas, S. (W. H. Galloway), Hull
Lucia, A. P. (H. C. E. Maynard), London
Luck, G. A. (M. D. M. A. Stewart), London
Lynn, M. (Miss) (D. M. Booth), Newcastle upon Tyne
Lyons, M. B. (E. O. M. Elliedge), London

M
McCann, S. (D. G. Dedman), London
McClean, E. W. (P. R. Hinton), London
McDermott, S. R. (Mrs) (J. M. Cooper), Dover
MacDonald, M. J. (G. Morris), Rochdale
McDonald, N. A. (V. H. J. Clements), London
McDowall, C. P. (G. W. Dunkerley), London
McEwan, E. M. (Miss) (D. W. Almond), Croydon
McGarel Groves, A. R. (M. G. Taylor), Southampton
McGregor, G. F. (J. A. Piper), London
Machon, P. (D. G. Parris), Nottingham
MacIntosh, A. I. (W. J. Newton), Birmingham
MacKenzie, N. R. (C. A. M. Coxe), London
McKinley, C. (M. G. Korn), London
McLaren, S. M. (Miss) (D. A. Parry), Bedford
McLean, T. D. (R. S. Bowden), Stockport
McMinn, J. M. (Miss) (R. J. Ellison), Liverpool
McNeill, S. G. (R. A. Hill), London
McQueen, A. B. (G. Harrison), Birmingham
Maddocks, P. E. (J. G. Ebdon), London
Mahmood, A. B. (J. C. S. Ferguson), London
Mahmud, A. (J. P. Summers), London
Mahoney, B. J. (G. C. Peat), London
Malik, A. A. (E. P. R. Ainsworth), Cheadle
Mallett, K. A. (N. D. Christy), London
Maltman, R. W. (K. N. Hawkins), London
Man, K. H. (H. Abrahams), London
Mandeville, J. G. (D. G. Bayes), Wellingborough
Mansell, R. J. (H. C. E. Maynard), London
Marjoribanks, R. J. B. (R. G. Combes), London
Marks, M. (E. C. Greenbury), London
Marriage, S. C. (M. A. Philpot), Ipswich
Marsden, D. A. (D. J. F. Winks), Milton Keynes
Marsh, C. H. (L. E. V. Masters), Worthing
Marshall, A. J. (B. C. Pike), Southampton
Marshall, C. C. (R. P. V. Rees), Cardiff
Marshall, R. G. B. (R. G. Dansem), Macclesfield
Marshall, S. C. M. (Miss) (A. E. Wilkinson), Nottingham
Martin, M. L. (D. W. Almond), Croydon
Martin, N. T. (M. A. Bracknell), London
Martin, T. I. (H. M. Stranks), Banbury
Mason, J. F. (R. G. Moorcraft), London
Mason, S. G. (R. W. Lilley), London
Messon, I. H. M. (R. W. Whewell), London
Matterson, T. A. (A. Bond), Sunderland
Maw, R. J. C. (J. W. Denton), London
Maynard, A. F. (W. Salt), Sheffield
Meek, A. M. (J. K. R. Jones), Birmingham
Merali, S. N. (Miss) (S. Haas), London
Mercer, B. P. (G. D. Lane), Ashford
Meredith, S. P. (A. A. Mason), London
Michalopoulos, M. (G. P. Rix), Enfield
Midgley, J. K. (E. A. Poncie), Birmingham
Mignanelli, A. G. (Mrs) (S. C. L. Abbott), Oxford
Miller, M. K. (R. J. Holden), Manchester
Mills, J. N. (A. D. Staton), Manchester
Milne, I. A. B. (D. A. Thornley), London
Milroy, S. (D. O. Phillips), Preston
Mitchell, A. C. (R. Sunderland), Bradford
Mitchell, A. R. (E. P. R. Ainsworth), Cheadle
Mok, C. Y. (J. W. R. Lindsey), London
Molineaux, K. L. (M. J. Bolton), Droitwich
Monaghan, R. L. (W. J. Gerning), London
Monks, R. J. (D. R. Briggs), Manchester
Moore, G. J. (N. F. Shuttleworth), Douglas
Moore, J. F. (J. H. Bowman), London
Moore, M. W. (N. C. R. Nash), London
Moores, M. J. (P. Landrum), London
Morgan, A. G. (Miss) (J. R. Howells), London
Morgan, J. (Miss) (B. J. Jones), Brecon
Moriarty, T. M. (L. F. Collins), Colchester
Morris, D. T. M. (J. F. D. Knust), London
Morris, M. E. (Mrs) (R. J. Churchill), Newcastle upon Tyne
Morris, P. J. (J. A. Wardropper), Newcastle upon Tyne
Morris, R. P. (R. E. Stephenson), Bournemouth
Mosenthal, M. B. (B. D. Price), London
Mosley, P. G. (P. R. J. Burman), Birmingham
Moxham, S. J. (L. B. Whyatt), Bristol
Mroweh, A. M. (A. Pinkney), London
Mulcahy, W. J. (P. Desmond), London
Mulderrig, J. E. (W. K. Wells), London
Mulford, M. C. (T. C. Wilson), London
Mundy, A. S. (D. B. T. Lattey), Redhill
Munshi, K. S. (W. List), London
Murden, P. M. (Miss) (R. J. Dickens), Birmingham
Murray, S. A. (B. V. Crawford), Plymouth
Musselle, C. P. (M. A. Wren), Southend-on-Sea
Mutlow, D. J. (J. A. Maddams), London

N
Nares, A. J. B. (J. H. Varcoe), Bristol
Nash, C. J. (R. S. Kettel), Birmingham
Nash, C. D. (I. S. Wick), London
Natt, J. R. (J. O. P. Jordan), Winchester
Neider, J. A. (Miss) (P. B. Jones), Birmingham
Nettleton, S. M. (G. Dawson), Leeds
Newby-Robson, J. L. (R. S. J. Jolliffe), London
Newman, B. V. (D. P. Howarth), London
Ng, K. T. (B. P. Davis), London
Niven, J. D. (A. G. K. Hamilton), London
Noormohamed-Oosman, M. M. O. (M. J. Kriteman), London
Norgate, M. W. (J. O. Turner), Norwich
Normington, M. C. (P. J. Oliver), London
Nudds, B. J. (M. B. Hancock), Bury St. Edmunds
Nunan, C. M. (Miss) (J. R. Allen), Leicester
Nunn, I. M. (A. P. Downs), London

O
O'Grady, A. J. (T. Falkingham), Leeds
O'Leary, R. (R. G. Jennings), Sunderland
O'Sullivan, M. J. (J. M. Barney), London
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Oldworth, R. A. (Sir H. Peat), London
Olesiuk, A. (K. J. C. Cook), London
Ong, E. H. (M. H. T. Gairdner), Croydon
Ooi, B. W. (Miss) (J. C. Tune), London
Orr-Burns, C. D. (A. M. Homan), London
Orrell, P. A. (J. A. Swingler), Birmingham
Osment, R. J. (Sir M. Rosser), Cardiff
Owen, J. D. (J. Capey), Stoke-on-Trent
Owens, G. T. (H. B. Singer), Bridgend
Oxley, P. S. (M. A. B. Harrison), London

P
Paberi, P. J. (S. L. Isaacs), London
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Palin, R. H. (I. F. D. Hill), Liverpool
Palios, M. (D. S. Griffin), Liverpool
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Palmer, W. J. (D. J. Beagent), London
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Parker, C. D. (G. A. Sturtridge), Exeter
Parker, E. (A. G. Amfield), Manchester
Parkes, N. S. (I. W. Walsh), London
Parkin, J. W. (G. L. Stuart-Harris), Sheffield
Parkinson, E. A. (Mrs) (R. Batters), Manchester
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Patel, K. (H. M. Newman), London
Patel, V. B. (N. Sharples), London
Patel, V. V. (K. D. Reeves), Coventry
Paterson, A. (D. M. Middleton), Middlesbrough
Paterson, D. R. (W. A. Comyn), London
Patterson, A. J. (J. Davidson), Berwick-upon-Tweed
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Pearce, J. (D. C. McDonnell), Liverpool
Pearl, S. (N. N. Sassienie), London
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Penn, W. J. B. (P. N. Martin), Birmingham
Pennington, S. J. (A. A. E. Benzie), Manchester
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Percy, B. E. (D. H. Slade), Manchester
Perry, R. E. (R. Jebb), Wolverhampton
Peshall, E. C. E. (O. H. Thompson), London
Phillipson, C. J. N. (P. L. Johnson), Birmingham
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Pierce, D. J. (R. D. Corke), Bristol
Pilcher, S. C. (J. A. Rosser), London
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Platts, N. J. (I. McIsaac), London
Plumb, A. G. (R. A. Cook), Cambridge
Pocknell, C. M. (Sir A. Cunynghame), London
Poole, J. A. (C. R. Miller), Stoke-on-Trent
Pooley, B. B. (L. G. Jury), St. Austell
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Pott, H. F. (Mrs) (O. W. Newland), Bristol
Povey, A. M. (C. Rofe), Sidcup
Pownall, S. E. (N. E. Dunning), Stoke-on-Trent
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Prevezer, J. W. (P. J. Carpenter), London
Pritchard, R. J. (A. W. Brookland), London
Procter, W. K. (J. R. Baker), London
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Pui, S. H. (Miss) (E. M. W. Robson), London
Purbrook, C. (H. M. Stocks), London
Purdham, P. (T. Bell), Sunderland

Q
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Quick, D. J. (Mrs) (B. C. Barkinshaw-Smith), London

R
Rackstraw, M. E. (J. R. Boswell), Birmingham
Radford, R. J. (E. L. Bates), Leicester
Rae, F. A. (J. C. Norton), London
Rana, Z. E. (R. F. John), London
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Rawat, O. A. (M. M. Thein), London
Rawlins, A. P. (R. P. V. Rees), Cardiff
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Redwood, D. G. (R. C. Daniel), Cardiff
Rees, I. L. (J. Jeffery), Warrington
Rees, S. D. (R. H. Bulman), Stockton-on-Tees
Reeves, D. E. (J. M. Harries), London
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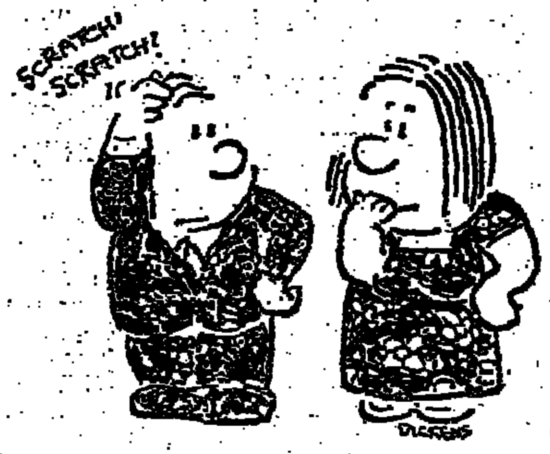

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For further information and a copy of the relevant brochures please contact:
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2 Albert Place,
London, W.8
Telephone: 01 937 1665/9706

COMPANY NOTICES

GROUPEMENT DE L'INDUSTRIE SIDERURGIQUE

9.75% 1975/1983
LOAN OF U.A. 15,000,000.00.

We inform the bondholders that the repayment instalment due April 10, 1981 has been satisfied by purchase of 397 bonds and by drawing of 1,103 bonds on February 18, 1981 in the presence of an "huissier" in Luxembourg.

The bonds will be reimbursed at par on April 10, 1981, coupon due April 10, 1982 and followings attached according to the modalities of payment on the reverse of the bonds.

The numbers of such drawn bonds are as follows:

NRS.	005572 to 005706	005722 to 005867	005872 to 006041	006044 to 006205
	006226	006253 to 006292	006327 to 006413	006416 to 006434
	006442 to 006713	006716 to 006786		

The following bonds previously called for redemption have not yet been presented for payment:

1979 NRS.	006899 to 007000	007310 to 007312	007402 to 007403	007431 to 007434
	007681	007819 to 007823	007844 to 007852	007900 to 007903
	007974 to 007983	008000		
1980 NRS.	002563	002567 to 002569	002613 to 002615	002696 to 002698
	004292	004295 to 004297	004301	004396
	004427 to 004432	004449 to 004451	004455	004484 to 004487
	004490 to 004492	004529	004539 to 004541	004571 to 004580
	004583 to 004604	004610 to 004635	004641	004644 to 004645
	004664 to 004687	004715 to 004719	004732 to 004740	004751
	004759 to 004763	004857 to 004859	004866 to 004903	004909 to 004910
	004926 to 004948	005014 to 005015	005028 to 005029	005181 to 005196
	005198 to 005199	005201 to 005206	005221	005233
	005235 to 005236	005249 to 005250	005262 to 005266	005291 to 005299
	005309 to 005310	005402 to 005411	005415 to 005425	005517 to 005524
	005534	005537 to 005554		

Amount outstanding after April 10, 1981 - U.A. 8,000,000.00.

THE PRINCIPAL PAYING AGENT
SOCIETE GENERALE ALSACIENNE DE BANQUE
15, Avenue Emile Reuter
LUXEMBOURG

ASEA AKTIEBOLAG

Västerås, Sweden

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders will be held in Västerås, in the Prisma Cinema, Stora gatan 21, at 4 p.m. Thursday, March 19, 1981.

Items
The agenda will only include the items stipulated in the Swedish Companies Act and the Articles of Association.

Proxy
At the Meeting everyone entitled to vote may do so for the full number of shares he owns or for which he has the right to vote as the representative on behalf of the owner or owners.

Notification
Shareholders wishing to participate in the Meeting must be recorded in the Share Register maintained by Värdepappers-centralen VPC AB (Swedish Securities Register Centre) no later than Monday, March 9, 1981 and must also notify the Board of Directors, ASEA AB, S-721 83 Västerås, Sweden, no later than 12 noon, Monday, March 16, 1981.

Shareholders whose shares are held in trust by banks or other trustees must temporarily reregister the shares in their own names no later than March 9, 1981, in order to be eligible to vote at the Annual General Meeting.

Dividend payments
The Board has proposed Monday, March 23, 1981, as the record day for the dividend. If the proposal is approved by the Annual General Meeting, it is expected that the dividend payments will be mailed by VPC on Monday, March 30, 1981.

By Order of the Board
Västerås.
February, 1981.

Q.P. CORPORATION

(Q.P. Kabushiki Kaisha)

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS ("EDRs")

NOTICE IS HEREBY GIVEN to holders of EDRs that Q.P. Corporation paid a dividend of Y10.00 gross per Share on 2nd March 1981 to shareholders on the Company's register at the close of business on 30th November 1980. This dividend has been converted to U.S. Dollars and amounts to US$42.65 gross per EDR representing 1,000 shares and US$4.26 gross per EDR representing 100 shares.

Accordingly, Kleinwort, Benson Limited as Depositary informs holders of EDRs that they should claim their dividends by presenting Coupon No. 5 on or after 6th March 1981 at (a) the office of the Depositary, Kleinwort, Benson Limited, 20 Fenchurch Street, London EC3P 3DB or at (b) the office of the Agent, Banque Generale du Luxembourg S.A., 14 rue Aldringen, Luxembourg.

Coupons must be left three clear business days for examination and may be presented on any weekday (Saturdays and public holidays excepted) during normal business hours.

Japanese withholding tax at the rate of 20 per cent. will be deducted from the gross value of all dividends paid unless the EDR holder lodges, in a form acceptable to the Depositary, an affidavit of residence in a country having a tax treaty or agreement with Japan providing for a lower rate of withholding tax, in which case such lower rate will be applied.

The difference between the amount of withholding tax so deducted and the standard rate of income tax payable in the United Kingdom will also be deducted from all dividends paid in the United Kingdom unless holders of EDRs furnish the Depositary with the usual affidavits of non-residence in the United Kingdom.

KLEINWORT, BENSON LIMITED,
Depositary.

London,
2nd March 1981.

REPUBLIC OF SOUTH AFRICA

LOAN OF ECU 25,000,000
8% 1971/1986

The Ecu 2,000,000 redemption instalment due April 1, 1981 has been met by purchase in the market to the nominal value of Ecu 900,000 and by a drawing of bonds to the nominal value of Ecu 1,100,000 on February 16, 1981.

Distinctive Numbers of Bonds Drawn: Nos. 5496 to 7360 inclusive, taking account of all previous redemption instalments. Interest will cease to accrue on the bonds called for redemption on and after April 1, 1981. Bonds presented for repayment must have their coupons as at April 1, 1981 and subsequent attached and will be paid in accordance with the conditions shown on the bonds.

Amount remaining outstanding after the redemption due April 1, 1981: Ecu 14,000,000.

Bonds previously drawn and not presented for repayment:
Redemption due April 1, 1981:
36 bonds within the series 8795 to 11762

The Fiscal Agent
BANQUE DE PARIS ET DES PAYS-BAS
POUR LE GRAND-DUCHE DE LUXEMBOURG

ANGLOVAAL GROUP

CLOSING OF TRANSFER BOOKS AND REGISTER OF MEMBERS

The Transfer books and register of members of Consolidated Murchison Limited will be closed from 21 April to 27 April 1981 for the purpose of determining those persons entitled to attend the Annual General Meeting of the members of the Company.

THE TOR INVESTMENT TRUST LIMITED

NOTICE IS HEREBY GIVEN that the REGISTERS of the Preference Shares and Income Shares will be CLOSED from 13th to 26th March 1981 inclusive.

By Order of the Board,
J. TODD, Secretary.

KOMATSU FORKLIFT CO., LTD.

(CDRs)

The Board of Directors of Komatsu Forklift Co., Ltd. has announced that shareholders, who will be registered in the books of the Company on March 31st, 1981 (Tokyo time) will be entitled to receive a 10% gratis distribution of new shares. Consequently the undersigned designated div. cp. no. 11 of the CDRs for this purpose.

In Japan the shares are traded ex-bonus as from 26th March, 1981.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam,
27th February, 1981.

PUBLIC NOTICES

CUMBRIA COUNTY COUNCIL
£2,000,000 Bills offered 26.2.81 for payment 27.2.81 due 29.5.81 at 11¹¹⁄₁₆%. Applications totalled £13.00m. No other Bills outstanding.

EXETER CITY COUNCIL BILLS
£500,000 Bills issued 4th March 1981 due 3rd June 1981 at 11¹¹⁄₁₆%. Applications totalled £1,800,000. £500,000 Bills are outstanding.

LINCOLNSHIRE COUNTY COUNCIL BILLS
£2m 91-day Bills issued 4.3.81 maturing 3.6.81 at 11⅝%. Applications £17½m. Bills outstanding £4m.

SOLIHULL METROPOLITAN BOROUGH
£3.0m Bills due on 3rd June 1981, were offered on 4th March 1981, and were allocated at a rate of 11⅝%. Applications totalled £23m. The total of Bills outstanding is £4.75m.

LOMBARD

No instant cure from Mr. Reagan

BY DAVID LASCELLES IN NEW YORK

NOW THAT President Reagan's economic package has been unveiled the view seems to be gaining hold that he will succeed where Mrs. Thatcher did not because of two things: the speed with which he moved, and his no-nonsense approach to tax cuts. Nothing could be farther from the truth. He has merely created the illusion of speed: as for tax cuts, don't count on them yet.

If anything, the Reagan exercise is more likely to succeed because of changes that were already under way; what happens over the next few months will make little difference.

The Reagan package is still only a set of proposals. He may have got these out much more quickly than Mrs. Thatcher did hers. But every jot must be approved by Congress, and that could take an extremely long time. It may well turn out that Mrs. Thatcher actually beat Mr. Reagan on implementation.

Drama

It is worth recalling that the Americans were filled with admiration back in 1979 at the speed with which the British Parliamentary system allowed a government to act once it had got a set of proposals together. Sir Geoffrey Howe merely had to stand up in Parliament for a couple of hours for intent to become fact. The basic rate of tax went down to 30 per cent. VAT went up to 15 per cent, MLR to 14 per cent, and that was that.

There was none of the debilitating argument that the U.S. is now going through, the whittling down, the loss of impact, the endless testifying to Congressional sub-committees, the mobilisation of special interests. If drama is one of the key ingredients in the kind of exercise Mr. Reagan and Mrs. Thatcher are engaged upon (which it doubtless is), Mrs. Thatcher may well turn out to *have pulled off the better coup de theatre.*

Compare the confusion that reigned in the City after the 1979 Budget with the state of suspended animation Wall Street has gone into since the Reagan package came out. Nobody knows what to think: they all fervently hope it will go through but dare not base any plans on it.

As for the tax cuts, it is all very well for the Administration and its supporters to talk about 30 per cent reductions in personal taxation over three years. Even if this gets through unscathed (which it will not), it is already quite clear from the reaction of State and local governments whose budgets will suffer from the cutbacks in Federal subsidies that they will have to make up for this elsewhere—presumably by raising local taxation. This could come in the form of higher income tax or sales tax, or in less obvious ways like an increase in subway fares.

These new burdens would obviously not offset a major cut in Federal income tax, but they should be weighed in the final balance just as the UK has weighed the increase in VAT against the income tax cuts. Although Mr. Reagan has appealed to governors and mayors all round the country to help make his programme work, it would amount to little more than an elaborate con trick if he cut Federal spending and ignored the impact at a local level.

Cyclical

But worthy and provocative though the Reagan package may be it's timing could turn out to be most important. It is not difficult to construct an argument that the U.S. is about to go through a cyclical disinflationary phase anyway, whatever Washington does, and that if Mr. Reagan is lucky he will ride on the back of it.

There is unlikely to be much real growth in the U.S. this year, 1-2 per cent at the most, monetary policy will be restrictive, and the commodity price cycle is obviously on a downward path. Although the financial markets clearly do not believe this yet (long-term interest rates are still close to record highs), there could be a substantial easing of inflation anyway this year, particularly since the upward price pressures caused by the deregulation of oil prices have now fed their way virtually right through to the retail level, and wage demands seem to be moderating.

European test case about legal privilege

THE EUROPEAN Court has taken the unusual step of re-opening the oral procedure in the "legal privilege" case.* This was an appeal by AM and S Europe against a decision of the EEC Commission ordering the RTZ subsidiary to submit certain correspondence with solicitors and an in-house lawyer, and between the solicitors and counsel.

This case has caused a great stir among European business lawyers; few clients would like to have their letters on file should the Commission win. The *Consultative Committee* of the Bars and Law Societies in the EEC intervened on the side of AM and S as did the British Government. The French Government, by contrast, sides with the Commission which claimed in its decision that "Community competition legislation does not provide for any protection of legal papers."

This is the second case brought by a British company contesting methods used by the European Commission in policing the competition rules of the Community. The first, taken to Luxembourg by Panasonic,† concerned a dawn raid on the company's premises. The present case also arose from a surprise visist of the Commission's inspectors. They were investigating a number of zinc-producing and trading companies which the Commission suspected of operating a price and market-sharing cartel.

The company provided the inspectors with all they wanted, with the exception of documents for which it claimed legal privilege. The Commission insisted that these documents must be shown to its inspectors who will decide whether the documents should be excluded from the evidence used by the Commission.

The oral procedure before the court had been concluded by the Opinion of the Advocate General on January 20. However, the court has now ordered that it should be re-opened, indicating—and this is a most welcome innovation in Luxembourg—that it wishes to have a dummy run and decide the case on its merits instead of delivering, as usual, an abstract interpretation of the law.

It requires AM and S to deliver the contested papers in a sealed envelope. The court will then draw up a report to summarise the content of the papers and the parties will be given an opportunity to comment on his report. On that basis the court will prepare a new set of questions to the parties and, presumably, also to member governments which submitted observations. When these questions are answered a new oral hearing will take place.

The two issues before the court are, first whether legal privilege is a principle of law of member states and, consequently, also part of EEC law, and if it is, then secondly who should decide whether a particular document is or is not protected by this privilege.

The opinion delivered by Mr. Advocate General Warner is a most interesting piece of comparative law. It shows that though differing in approach, all member states protect confidences between a lawyer and his client. In Mr. Warner's Opinion there is no Community institution which could be asked to decide between the Commission and a party if they disagree about the confidentiality of a document. Such disputes should be decided by national courts of the country where the investigation is taking place. The European Court may yet follow this recommendation, but the re-opening of the oral procedure makes it rather doubtful.

* * *

This case underlines two sore points of EEC competition policy. One is the unacceptable position of the Commission as policeman, judge and jury, all in one. The other is the vague division of authority in competition matters between the Commission and national courts.

European companies, suspected by the Commission of infringement of competition rules, complain that they are being subjected to "fishing expeditions." They are not told the nature of the complaint levelled against them. They have little opportunity to answer the "facts" found by the Commission, or to question witnesses during the hearings which they attend. Indeed, they often come to these hearings in ignorance of essential parts of the material assembled against them.

Companies which have notified their restrictive agreements to the Commission and are not being investigated—and there are many thousands of them—live in perpetual uncertainty. Even if they received from the Commission a "comfort letter" saying that their notification has been placed on the "dead file," this does not mean that their agreements are valid.

According to the court's decision in the Perfumeries' cases,‡ such agreements can be attacked any time in a national court and declared void from the beginning. The chance that this uncertainty would be terminated by a decision of the Commission is negligible. Only six decisions under Articles 85 and 86 were made in 1979 and these took years to arrive at.

This perpetual uncertainty is bad enough where the agreement represents investment of money and managerial time into the establishment of distribution networks. It is quite unacceptable when it puts at risk joint ventures involving investment of large capital and tying up research facilities.

The depression and the scramble for markets makes it necessary for companies to combine their resources. To conclude joint-venture agreements safely is, therefore, of great importance to Europe's economy. This fact is now recognised by many leading officials of the Commission, but this does not seem to help them break out of bureaucratic habits.

A radical reform would require a deletion of the nullity of prohibited agreements from Article 85 of the EEC Treaty, and a change of the Treaty does not seem to be a practical proposition.

A somewhat less radical step would be to change Regulation 17/62 by the introduction of provisional validity of notified agreements. A revision of Regulation 17/62 would also provide an opportunity to secure a more civilised procedure for companies under investigation, and to deal in one stroke with all the complaints against withholding of evidence, dawn raids, and legal privilege. It would provide an opportunity for establishing within the Commission the institution of an administrative judge whose task it would be to try to be impartial when collecting facts and recommending a decision.

The only improvements on investigation procedure which can be achieved quickly seem to be those which the Commission could be persuaded by member governments to adopt; and only national courts now seem to be in a position to provide notified agreements with a provisional validity by consistently ruling that an agreement covered by a "comfort letter" or ignored by the Commission for an unreasonably *long time must* be presumed innocent under EEC competition rules.

* *AM and S Europe v. EEC Commission, Case 155/79, Opinion, January 20, 1981, unreported.*

† *National Panasonic (UK) v. EEC Commission, Case 136/79, Financial Times European Law Letter, July, 1980.*

‡ *Cases 253/78/37/79 and 1, 2, 3, 99/79, Financial Times, August 21, 1980.*

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

Rednael set for Forbra Cup

RACING

BY DOMINIC WIGAN

TONY DICKINSON sent few runners down to Ludlow, but those that did make the trip south almost invariably acquitted themselves with distinction.

There is every indication that his son, Michael, trainer at Harewood, Yorkshire, is going to prove equally selective in his *raids on the Midlands course,* and this point is underlined today.

Dickinson's sole representative at Ludlow is Rednael among the runners for the Forbra Gold Challenge Cup won a year ago by her half-sister, New Colonist.

As was the case with her half-sister, Rednael is partnered by Tommy Carmody (who resumed riding only yesterday) and has an obvious chance.

A much-improved chestnut and one who could be mistaken for her half-sister, Rednael was winning her third consecutive race, when disposing of Trojan Walk in Catterick's Leeming Handicap over today's three miles on January 24.

That performance drew the comment from Chaseform's race-reader: "Rednael, always going very well indeed, took closer order with a circuit to go and, coasting into the lead, two out, won as she pleased."

Although her career has since suffered a minor setback through an uncharacteristic blunder on a return to that Yorkshire track, Rednael should not be hard-pressed to get back on the winning trail, barring a similar mishap. She is given a reasonably confident vote over Spartan Major.

Two new races will mark the 150th anniversary of racing at Cheltenham's Prestbury Park this year. They are the Cheltenham 150th Anniversary Steeple Chase and the Prestbury Park 150th Anniversary hurdle.

Both races, which will be run on Friday November 13, are handicaps and will have £5,000 added to the stakes, including a commemorative trophy to be presented to the winning owner.

A commemorative review of racing at steeplechasing's headquarters has just been published and the 64-page brochure, which traces the history of racing at Prestbury Park, includes many previously unpublished photographs and features a number of informative and interesting articles.

Postal copies of the brochure may be obtained from Cheltenham Race Course or through London's Racing Information Bureau, at £1 + 25p postage.

LUDLOW
1.45—Jo Colombo**
3.15—Just Revenge
3.45—Rednael***
4.15—Straight Cash*
4.45—Esal Boy

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.00 For Schools, Colleges. 12.42 pm Regional News for England (except London). 12.45 News. 1.00 Pebble Mill at One. 1.45 Bod. 2.00 You and Me. 2.15 For Schools, Colleges. 3.00 Claire Rayner's Casebook. 3.53 Regional News for England (except London). 3.55 Play School (as BBC2 11.00 am). 4.20 Secret Squirrel. 4.25 Jackanory. 4.40 Scooby and Scrappy Doo. 5.00 Newsround. 5.05 Blue Peter. 5.35 The Perishers.

5.40 News.
5.55 Regional News Magazine and Nationwide.
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
8.00 Hi-De-Hi!
8.30 Partners.
9.00 News.
9.25 Malice Aforethought.
10.20 Question Time with Robin Day.
11.18 News Headlines.
11.20 Kojak.

All Regions as BBC1 except as follows:

CYMRU/WALES — 10.10-10.30 am I Ysgolion: Hwnt Ac Yma. 2.15-2.35 pm I Ysgolion: Ffenestri. 5.55-6.20 Wales Today. 6.55-7.20 Heddiw. 8.00-8.30 Tomos A Titw. 10.20 Cwlwm '81. 11.00 Kojak. 11.50 Question Time. 12.50 am News and Weather for Wales.

SCOTLAND — 10.10-10.30 am For Schools (Around Scotland). 12.40-12.45 pm The Scottish News. 3.25-3.55 The Afternoon Show. 5.55-6.20 Reporting Scotland. 8.30-9.00 *The Current Account Report.* 12.10 am News and Weather for Scotland.

NORTHERN IRELAND—11.30-11.50 am For Schools (Ulster in Focus). 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 10.20 Sportsweek. 10.50-11.18 You and Your Rights. 12.10 am News and Weather for Northern Ireland.

ENGLAND—5.55-6.20 pm Look East (Norwich); Look North (Leeds); Look North (Newcastle); Look North West (Manchester); Midlands Today (Birmingham); Nationwide (London and South East); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40 am Open University.
11.00 Play School.
4.50 pm Open University.
†5.40 Charlie Chaplin in "The Champion."
6.10 Maggie.
†6.35 Music-Hall Greats: "Old Mother Riley, Headmistress," starring Arthur Lucan and Kitty McShane.
7.50 *Mid-Evening News.*
8.00 1981 World Figure Skating Championships.
8.30 *Russell Harty.*
9.00 The Little World of Don Camillo.
9.30 Man Alive.
10.20 The Mike Harding Show.
10.50 Newsnight.
11.35 Embassy World Indoor Bowls Championship (Final).

LONDON

9.30 am Schools Programmes. 12.00 Gideon. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News plus FT Index. 1.20 Thames News. 1.30 Together. 2.00 After Noon Plus. 2.45 The Racing Game. 3.45 In Loving Memory. 4.15 Dr. Snuggles. 4.20 Little House on the Prairie. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Battlestar Galactica.
7.30 Bognor.
8.00 The Incredible Mr. Tanner
8.30 TV Eye.
9.00 Hill Street Blues.
10.00 News.
10.30 Thames Report.
11.00 Snooker.
12.10 am What the Papers Say.
12.25 Close: "Sit up and Listen," with Jack Peel.

All IBA Regions as London except at the following times:

ANGLIA

9.15 am Jobline (guide for the jobless in the region). 1.20 pm Anglia News. 6.00 About Anglia. 6.20 Arena. 6.35 Crossroads. 7.00 The Bird with Two Hats. 10.30 Fantasy on a String. 12.10 am Love American Style. 12.35 Christians in Action.

ATV

1.20 pm ATV News. 3.45 Leave it to Charlie. 4.20 Vic the Viking. 4.50 Little House on the Prairie. 6.00 ATV News. 6.05 Crossroads. 6.30 ATV Today. 7.00 Emmerdale Farm. 10.30 Focus. 12.10 am ATV News.

BORDER

1.20 pm Border News. 5.15 The New Fred and Barney Show. 6.00 Lookaround Thursday. 6.35 Crossroads. 7.00 Emmerdale Farm. 10.30 Wintersport. 12.10 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weather. 6.00 Channel Report. 6.35 Crossroads. 7.00 The Forum—The Last Picture Show. 10.28 Channel Late News. 10.34 Jazz Series (Ronnie Scott/Georgie Fame). 12.10 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 4.20 Project UFO. 5.10 Police News. 5.15 Emmerdale Farm. 6.00 North Tonight. 6.35 Crossroads. 7.00 The Electric Theatre Show. 10.30 Cover to Cover. 12.10 am North Headlines.

GRANADA

1.20 pm Granada Reports. †4.20 Movie Matinee: Louis Hayward in "The Black Arrow." 6.00 Granada Reports. 6.25 This is Your Right. 6.30 Crossroads. 7.00 Emmerdale Farm. 10.30 Benson.

HTV

1.20 pm HTV News. 5.10 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.30 Happy Days. 7.00 Emmerdale Farm. 10.28 HTV News. 10.30 Your Chance.

HTV CYMRU/WALES—As HTV WEST *except: 9.30-9.45 am About Wales* 12.00-12.10 pm Owain A'r Olion. 4.15 The King's Trumpet. 4.20 Take a Chance. 4.45 Ser. 5.10-5.20 Cartoon. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Sports Arena. 10.30-11.00 Come Taste the Wine.

SCOTTISH

1.20 pm News Headlines and Road and Weather Report. 3.45 Life Begins at Forty. 5.15 Pet Subject. 5.20 Crossroads. 6.00 Scotland Today. 6.20 *Action Line. 6.30 Nature Watch.* 7.00 Emmerdale Farm. 10.30 In Concert—Elkie Brooks. 12.10 am Late Call.

SOUTHERN

1.20 pm Southern News. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day by Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 10.30 People Rule!

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 1.20 pm North East News *and Lookaround.* 3.45 *Father, Dear* Father. 4.20 The Fantastic Four. 4.45 Tarzan. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 North East News. 10.32 Soap. 12.10 am Women's World Day of Prayer.

ULSTER

1.20 pm Lunchtime. 3.45 Life Begins at Forty. 4.13 Ulster News. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 *Police Six.* 7.00 Emmerdale Farm. 10.29 Ulster Weather. 10.30 Counterpoint. 12.10 am Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 6.00 Westward Diary. 6.35 Crossroads. 7.00 Westward Report. 10.31 Westward Late News. 10.34 Jazz Series. 12.10 am Faith for Life. 12.15 West Country Weather, Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 3.45 Country Calendar. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Crossroads. 7.00 Emmerdale Farm.

Radio Wavelengths

1 1053kHz/285m 1089kHz/275m	3 1215kHz/247m & 90-92.5vhf stereo	BBC Radio London: 1458kHz, 206m & 94.9vhf
2 693kHz/433m 909kHz/330m & 88-91vhf stereo	4 200kHz/1500m & 92-95vhf	Capital Radio: 1548kHz, 194m & 95.8vhf
		London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast ‡ Medium Wave only

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Andy Peebles. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.30 Dave Lee Travis. 4.30 Peter Powell. 7.00 Wheels with Dave Lee Travis. 8.00 Richard Skinner. 10.00-12.00 John Peel.

RADIO 2

5.00 am Bob Kilbey (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 David Hamilton (S). 2.00 pm Ed Stewart's Request Show (S). 4.00 Much More Music with David Symonds (S). 6.00 John Dunn (S). 8.00 Country Club (S). 9.00 Alan Dell with The Big Band Sound (S). 9.55 Sports Desk. 10.00 Tom Mennard tells Local Tales, and at 10.15 The Baby Grand Song Factory (1). 10.30 Star Sound Song Factory. 10.30 Star Sound Extra. 11.00 Brian Matthew with Round Midnight, including 12.00 News. 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued) (S). 9.00 News. 9.05 This Week's Composer: Stravinsky (S). 10.00 Piano Recital (S). 10.35 Berg's Lyric Suite (S). 11.10 Scottish Chamber Orchestra (S). 1.00 pm News. 1.05 Bristol Lunchtime Concert (S). 2.00 Rozhdestvensky Conducts (S). 3.05 Medieval Music (S). 4.25 Fricker (S). 4.55 News. 5.00 Mainly for Pleasure (S). 7.00 Talking About Music (S). 7.30 Priest and Confessor: A double-bill by Wally K. Daly (S). 8.25 The Songs of Kilpinen. Baritone Gerhard Husch in conversation with Bernard Keeffe. 9.00 Beethoven and Chopin: Piano recital (S). 10.00 Patterson (S). 10.30 Words (talk by Rachel Trickett). 10.35 Vincent D'Indy (S). 11.00 News. 11.05 Sommeil de Psyche by Franck (S).

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 *Today's News.* 7.30, 8.30 News Headlines, 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.02 The Mersey Miracle. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 File on 4. 11.50 Enquire Within. 12.00 News. 12.02 pm You and Yours. 12.27 Brain of Britain 1981 (S). 12.55 Weather; Programme News. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour visits Liverpool. 3.00 News. 3.02 Afternoon Theatre (S). 4.00 Fritz Spiegl's Musical Alphabet. 4.15 Bookshelf. 4.45 Story Time. 5.00 PM: News Magazine. 5.50 Shipping Forecast. 5.55 Weather; Programme News. 6.00 News. 6.30 Any Answers? 6.55 It's a Bargain. 7.00 *News. 7.05 The Archers.* 7.20 *Time* for Verse. 7.30 The Royal Liverpool Philharmonic Orchestra: Part 1, Mozart (S). 8.25 A Sideways Look at . . . . by Anthony Smith. 8.40 The Royal Liverpool Philharmonic Orchestra: Part 2, Richard Strauss (S). 9.20 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.03 Morning Star. 10.03 The Robbie Vincent Telephone Programme. 12.30 pm London News Desk. 12.40 The Tony Fish Total Music Show. 2.30 Tony Blackburn. 5.00 The News. 5.15 Music on the Move. 6.33 Openings. 7.03 Black Londoners. 8.00 As Radio 1. 10.00 Question Time from The House of Commons. 11.00-5.00 am Joins Radio 2.

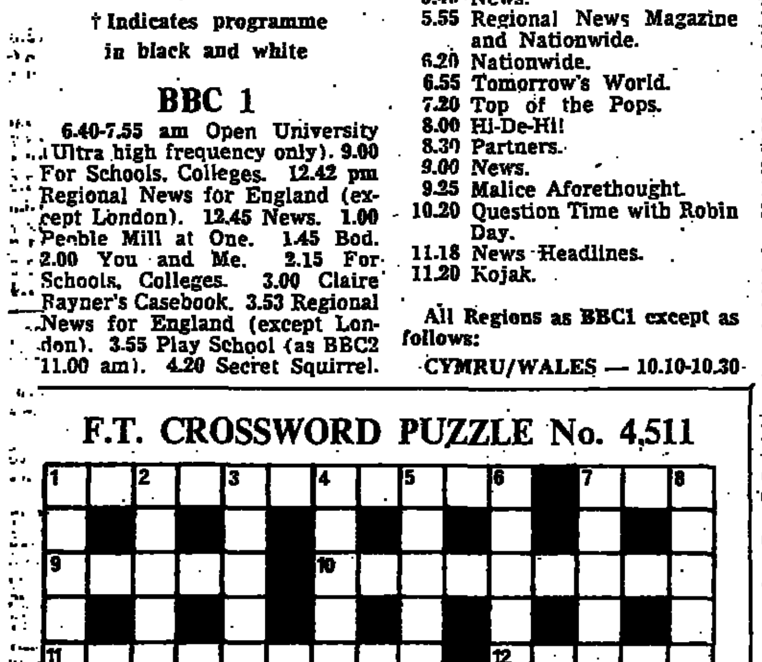
London Broadcasting

6.00 am AM — Bob Holness and Douglas Cameron. 10.00 Brian Hayes. 12.00 LBC Reports. 7.00 pm London Life. 9.00 Mike Dickin's Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 4.00 The London Interview. 5.00 Morning Music.

Capital Radio

6.30 am Mike Smith's Breakfast Show. 10.00 Michael Aspel. 12.30 pm Graham Dene. 1.00 First Report. 1.10 Graham Dene (continued). 3.00 Roger Scott. 7.00 London Tonight. 9.00 Nicky Horne. 11.00 Tony Myatt's Late Show. 2.00 am Night Flight.

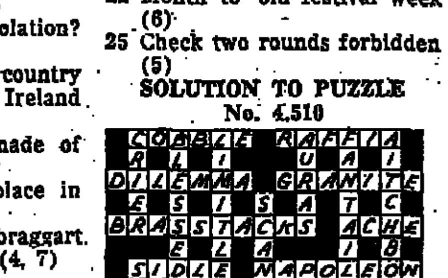
F.T. CROSSWORD PUZZLE No. 4,511



ACROSS
1 Put on terror? Nervousness rather. (5,6)
7 Equine loaf (3)
9 Tip part of score (5)
10 A puppeteer has to exert hidden influence (4,5)
11 Come down to spy on bailiff (4,5)
12 Quiet person did very well (5)
13 Ten varieties to drink bring on wind (7)
15 First gardener to have a mother (4)
18 Too left (4)
20 Restrict link with part of Ireland (3,4)
23 Company backing surly brute to fall out (5)
24 Where to live in isolation? (9)
26 Emptiness of one country without Northern Ireland (9)
27 Buzzer to church made of wood (5)
28 Twisted sound of place in Sussex (3)
29 Anonymous person braggart connected famously (4, 7)

DOWN
1 Drink solicitor gives wholesaler (8)
2 Transfer strange tea-br (8)
3 Run Boycott never made
4 Salesman allowed eggh to be stuffed (7)
5 Festive meal Pygmalion loved (7)
6 Transport head admits headland to urban scene (9)
7 Incentive to corrosion for a motorist (6)
8 Degree to which girl had struck (6)
14 Turning up as part of one account (9)
16 Institutional relief given to social worker (4,4)
17 Hers can't become a thief (8)
19 Sincere over one southern maiden facing facts (7)
20 Busmen are not brought up (7)
21 Ape PC? That's right (6)
22 Month to 'old festival week (6)
25 Check two rounds forbidden (5)

SOLUTION TO PUZZLE No. 4,510



هكذا من الأجل

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. S. 836 3161. CC 240 5258. Until April 4 LONDON FESTIVAL BALLET. Evgs 7.30. Until Mar 14. Rudolf Nureyev's spectacular ROMEO & JULIET. Ton't: Ruanne, Jolley.

COVENT GARDEN. 240 1066. S.

EXTRA MATS. 20th and 21st April AT 3.00.

QUEEN'S. S. CC. 01-734 1166. 01-439 3849. 01-439 4031. PENELOPE KEITH, Peter JEFFREY, Barbara FERRIS in MOVING. A new play by Stanley Price. Directed by Robert

6 & 8.45. Dario Fo's farce ACCIDENTAL DEATH OF AN ANARCHIST.

YOUNG VIC. 928 6363. Eves 7.30. Ton't RICHARD II. Eri Sat Mon PYGMALION Tue ROSENCRANTZ.

CINEMAS

7.30 Preludes & Song. Judgement of Paris. Rainbow Ripples. Dark Elegies. Tkts 50p to £6.

THEATRES

ADELPHI. CC. 01-836 7611. Eves. at 7.30 Sat. 4.00, 7.45. Mats. Thurs. at 3.00. TONY BRITTON, JILL MARTIN, PETER BAYLISS and ANNA NEAGLE in MY FAIR LADY. Now booking through to October. For group bookings telephone 01-836 7358 or 01-379 6061.

ALBERY. 01-836 3878. CC. bkgs. 379 6565. Gp. bkgs. 379 6061 or 836 2962. Evgs. 8.00. Thurs. Mat. 3.00. Stalls from £2.90. Sat. 5.00 and 8.15 Sian Phillips, Denis Lawson (Most Promising New Actor DRAMA AWARD 1980) Rodgers and Hart's musical PAL JOEY.

ALDWYCH. S. 836 6404. CC. 379 6233 (10-6, Sats 10-4). Info. 836 5332. ROYAL SHAKESPEARE COMPANY. Ton't, Tomor 7.30, Sat 2.00 & 7.30. PASSION PLAY by Peter Nichols. With: O'Casey's award winning JUNO AND THE PAYCOCK (10 Mar). Prestel booking 22023. Group sales 379 6061. RSC also at The Warehouse-Piccadilly.

AMBASSADORS. S. CC. 836 1171. Evgs. 8.0. Tues. Mat. 3.0. Sat. 5.30 and 8.30. J. B. PRIESTLEY'S Mystery Play DANGEROUS CORNER. Acclaimed revival of Priestley's most popular play.

ARTS. 836 2132. S. Reduced Price Previews until Mon. 8 pm. Opens Tues. 7 pm. Thereafter 8 pm. JOHN JUDD in TWISTED CUES & ELLIPTICAL BALLS. An affectionate look at the lives & music of Gilbert & Sullivan. £4, £3, £2.

COMEDY THEATRE. S. CC. 01-930 2578. Limited season until 23 May only. Eves. 7.15 (note early start). The National Theatre smash-hit production (from the Cottesloe) of ARTHUR MILLER'S THE CRUCIBLE. Directed by Bill Bryden.

CRITERION. S. 930 3216. CC. 379 6565. Grp. bkgs. 836 3962 or 379 6061. Eves. 8. Sat. 6 and 8.45. MARTIN CONNOR, DAVID DELVE, TRICIA GEORGE, PETER REEVES in an OUTRAGEOUS MUSICAL REVUE TOMFOOLERY. The words music and lyrics of TOM LEHRER.

DUKE OF YORK'S. S. 836 5122. Evenings 8.0. Saturdays 3.00 and 8.30. FRANCES de la TOUR DAVID de KEYSER in TOM KEMPINSKI'S DUET FOR ONE. Credit cards only 836 9837, 379 6565, 839 4682. Group bookings 836 3962, 379 6061.

DRURY LANE. Theatre Royal. Tel. 836 8108. THE BEST LITTLE WHOREHOUSE IN TEXAS. Evs. Mon. to Thur. 8.0. Fri. & Sat 5.30 & 8.30. Group sales Box Office 379 6061.

GARRICK. S. CC. 01-836 4601. Evenings 8.0. Until 14 March MAX WALL.

GLOBE. S. CC. 01-437 1592. 01-439 6770. SEASON ENDS MAY 16. ALL PERFS. SOLD OUT. ROWAN ATKINSON IN REVUE, Mon-Fri. Evgs. 8.0. Sat. 6.0 & 8.45.

GREENWICH THEATRE. S. CC. 858 7755. Evenings 8.00 (sharp). Mat. Sat. 2.30. DONALD SINDEN in PRESENT LAUGHTER by Noel Coward. Ends here Saturday. Opens March 12 CONSTANCE CUMMINGS in THE GOLDEN AGE, a new play by A. R. Gurney.

HAYMARKET. Theatre Royal. CC. 01-930 9832. Eves. at 8.0. Season must end April 18th. A few tickets available for some performances. Maggie Smith. VIRGINIA. A new play by Edna O'Brien (from the lives and writings of Virginia & Leonard Woolf. Directed by Robin Phillips. Latecomers may not be admitted.

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PRINCE EDWARD. S. CC. Box Office 437 6877. CC Hotline 439 8499. Group sales 379 6061. Evgs. 8.00. Mats. Thurs (Economy price) and Sat. 3.00. EVITA by Tim Rice and Andrew Lloyd-Webber. Directed by Harold Prince.

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ART GALLERIES

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THE ARTS

Record Review

The Big Bands keep blowing by KEVIN HENRIQUES

The oft-heard nostalgic plaint "Will the big bands ever come back?" is best answered by the glib riposte "They've never been away," a contention facilely substantiated by citing the still enormously active outfits of Count Basie, Woody Herman, Buddy Rich and Maynard Ferguson. To be realistic though it is undeniable that the number of full-time big bands playing jazz has decreased dramatically since their golden days in the 1930s, '40s and early '50s. This is especially true in Britain where there is not one full-time unit on the road every week of the year.

Unquestionably the nearest we have is the continually amazing National Youth Jazz Orchestra, this country's only permanently formed professional jazz orchestra which, helped by financial support from W. H. Smith and the Arts Council among others, reckons to do between 70 and 80 concerts a year. Founded in 1965 by former tenor-saxophonist and teacher Bill Ashton, who is still its guiding light and inspiration, the band remains a fertile training-ground for Britain's jazz musicians. This isn't the place to recite NYJO's numerous achievements but it is the place to draw attention to its latest LP—its eighth—*The Sherwood Forest Suite* (NYJO Records, NYJ 001), an imposing work by the multi-talented Paul Hart.

The background to the album's conception and a detailed description of the work itself are expertly documented by Bill Ashton in his refreshingly informative, if in places hyperbolic, sleeve note. For less involved listeners however Paul Hart's achievement is self-evident.

First in the writing, which shows a commendable awareness of many musical forms for such a comparatively young but admittedly experienced musician and which takes intelligent advantage of the colourings and textures available from the line-up of over 20 musicians.

Secondly in his own instrumental ability, notably on violin in the section entitled "The Minstrel's Lay." Thirdly in the band's sustained confidence in negotiating daunting passages as exemplified in the movement dedicated to the Sheriff of Nottingham and in "Bishop's Move" which evokes the impeccable unison sax passages of the much-missed Clarke-Boland Big Band.

Fourthly—and by no means least—in the quality of the uncontrived solos which always slot naturally into place. In this respect the contributions of Mark Chandler on flugel-horn, Ian Bateman and Pete Beachhill on trombones, Dave Bishop on tenor and Chris Hunter on soprano and alto saxes must be singled out, the last named an exceptional musician who has already made an album under his own name. Altogether then, a NYJO as well as a Paul Hart triumph—he also co-produced it!

*

NYJO's continuing success throughout the past 16 years has prompted the creation of several regional youth bands and one of the somewhat paradoxical compensations for the contraction of the big band scene has been the burgeoning of not only youth orchestras but also part-time and rehearsal outfits, the Radio Leicester Big Band for instance, whose first LP was noticed on this page in June 1979. Its second—*Radio Leicester Big Band and friends* (RLBB Records, RLBB 103)—is wide-ranging in its compass and attractions. For, apart from seven tracks by the band (a couple with tenor-saxist Art Themen as guest), there are two from the Midland Youth Jazz Orchestra and two by the RLBB's rhythm section, Whiskers.

Some admirable, crisp section work is straightaway revealed on the opener "Take the 'A' Train," which captivates because of its dissimilarity to the familiar Duke Ellington versions. Not so with "Cute" and "Teddy the Toad," forever associated with the Basie band and played here in arrangements almost identical to Basie's and thus arousing inevitable but unfair comparison.

More successful are a popping treatment of Chuck Mangione's "Feels So Good" and an original by the band's musical director Christine Eames, "Twin Town Trip," a rocking number opened and closed by a balladic, sad-tinged duo of trumpet and piano. And if "Lucky for Some" and "Senorita Blues" by Whiskers linger in the memory it is because of the bristling, eclectic solos of pianist Roger Munns.

The contributions of the Midland Youth Jazz Orchestra emphatically underline the robust health of young British musicianship. Proof of this assertion can be heard on Thursday, March 12, at 9 pm on Radio 2 when MYJO, along with RLBB, will be heard in the all-winners concert of the National Rehearsal Band Contest in which MYJO were named best junior band and its lead trumpeter, Simon Barnes, voted most promising musician under 25. Unsurprisingly RLBB took no less than four prizes, including first in the senior band contest and top soloist trophy (trumpeter Terry Willits). Additionally Pete Beachill of the Doncaster Youth Jazz Orchestra (and also NYJO), won the Don Lusher trombone prize.

*

Meanwhile, back on the road, Buddy Rich and his latest bunch of mainly young, unknown musicians are stoutheartedly perpetuating the tradition of one-night stands. Last Sunday they began a 21-day excursion around England, Scotland and Wales culminating with a week at Ronnie Scott's from March 23. Coinciding with

Buddy Rich

their tour is the release of the band's latest album, *The Man from Planet Jazz* (PRT Records, NSPL 18620), recorded a year ago at Scott's.

Devotees of the band will know what to expect and not be disappointed: punchy, no-nonsense, unsubtle, superbly played, tight arrangements of contemporary, mainly original, material written for the band, sparked and urged along by the indefatigable Rich.

There is all that and more: some unmusical synthesiser noises on "Slow funk"; jolting, horrific squeaks from altoist Andy Fusco following his sustained cadenza on the most imaginative (and longest) track 'Good News"; the usual assertive but not wildly inspired soloists.

But whatever minor defects a Buddy Rich album might have these are always compensated by the untarnished artistry of the 63-year-old drummer/leader. There are no long, ego trip drum solos here — he has no need of them. Merely marvel at the way he underlines and punctuates bass guitar solos or at the finesse of his delicate brush work when accompanying the pianist in a slow blues.

*

Then ten-piece Rollercoaster, which is only a recording studio invention, hardly qualifies as a big band but it is possible some band fanatics might find a modicum of interest on *Wonderin'* (Pye, N 136), on which some of London's best-known jazz musicians play five jazz/funk/disco compositions by Stevie Wonder.

Former Soft Machine stalwarts Mike Ratledge and Karl Jenkins are responsible for arranging and producing the album and also for "synthesiser keyboards." As it happens the one non-Wonder track is written by Jenkins and is by far the most memorable, featuring altoist Ray Warleigh and pianist Mike Pyne in a short but effective mood-changing interlude, a relief from the intense "get-on-down" feel of the other tracks.

On these there is plenty of hearty tenor-sax playing from Dick Morrissey, who is securely adept in this sort of setting. Just right for a disco party but not for serious band lovers.

Festival Hall

Perlman

by DOMINIC GILL

I suppose there are not many violinists under 40 who can fill the Festival Hall to overflowing for a duo recital: but Itzhak Perlman is one. And justly so—for his qualities are too rare to be ignored, and cast deep shadows across the paths of many lesser young artists of "star" repute. Those qualities only broadly define the whole: their sum is genius. Many were obvious from the start: the burnished depth and resonance of the timbre; the knife-edge intonation; the agility, pungency and variety of the phrasing. Others stand out ever more strongly as the years go by: the faultless diction and articulation of the playing; the absolute sureness of direction; that most deceptive simplicity, an apparent artlessness which is the hallmark of so much great art.

He began his recital on Tuesday with the most intimate playing of the evening, as if he were testing the air, taking the forefront only rarely in Mozart's C major sonata K296, leaving his partner and accompanist Bruno Canino to take the chief speaking role. But in Richard Strauss's violin sonata (early work of 1888) he straight away took the front of the stage: and if the music itself, sticky-floss amalgam of kitsched-up Brahms and drawing-room Wagner, only fleetingly rewarded such closely focused devotion, Perlman found many things in it of exquisite charm and grace.

After the interval, Perlman gave one of the finest accounts I have heard in any hall of Debussy's sonata, every nerve and muscle perfectly poised, every timbre and accent perfectly gauged. He was aided discreetly, but never too sweetly, and with powerful imagination, by Mr. Canino, here as elsewhere at the keyboard a vital, darting presence. The rest of the programme was fireworks. I was puzzled that Perlman should have chosen Leopold Auer's arrangement for violin and piano of the 24th Paganini Caprice—great fun, but hardly an improvement on the solo original! No matter: he gave it with stupendous offhand bravura, cut with a fine diabolical sizzle—and also a little Milstein arrangement of Chopin's C sharp minor Nocturne, before vanishing in a blur of Sarasate.

Covent Garden

L'Africaine by MAX LOPPERT

Taking seriously the duties of an opera museum, the Royal Opera has joined in the reassessment of Meyerbeer. In 1978 they gave us a new production (borrowed from the Florence Maggio musicale) of his last opera, and on Tuesday they revived it. For my part, I am grateful. Meyerbeer remains a phenomenon of unusual historical interest—the most successful opera creator of the 19th century, overrated in his day and perhaps even a little in danger of being underrated in ours.

Before entering the theatre, the spectator's mental dials need to be accurately and judiciously set. To look for Wagnerian or Verdian characterisation, development, for anything but a fitful (and easily interruptible) pursuit of the musical and dramatic line, is to risk certain disappointment. (It is easy to do so, when so much in the opera encourages one to "listen through" Meyerbeer to the greater composers—Berlioz included—who borrowed from him, absorbing his materials and improving upon his methods.)

Is he worth reviving at all, then? Many would say not—more than one voice was overheard during the first interval on Tuesday saying just that. I find the experience of *L'Africaine* offered at Covent Garden a curious and intriguing one. It is an entertainment carried out on the vastest scale with raw materials of greatly varying quality, none of them wasted; a restless, ticklish display of new ideas before the old have been followed through (the intermittent sensation of satiety comes, I feel, not so much from

Grace Bumbry and Franco Bonisolli

the poverty of melodic inspiration—for Meyerbeer's melodic ideas are not, in themselves, all barren—so much as from their impatient handling); a glamorous, endlessly diverting exhibition of orchestral colour finely calculated and deftly applied. An evening, in sum, at once more and less than the sum of its parts, commensurately fascinating and unsatisfying.

The Covent Garden experience, though not ideal, is in the main a handsome one. It is flawed by the frequently discourteous treatment of the French language (British singers quite as culpable in this respect as the visitors—once again, the Royal Opera cast of a French opera includes not a single native); and weakened by abridgements of the long opera not always intelligently made—better, for instance, to scrap what remains of the ballet (already reduced since 1978) and to return to place the opening female chorus of Act 3 and the finale of Act 4, without which the resuscitation of Inès, the *seconda donna*, makes no sense.

But what is done is at the very least efficiently done. David Atherton's conducting is alert, happy in its appreciation of the instrumental colours, acute in promoting the theatrical dimensions of the music—the handling of those tricky voice—and single-instrument episodes in which Meyerbeer delighted was notably sure—and very well paced. Fiorella Mariani's revival of Second Empire visual spectacle was justly praised in 1978 (the limited space of the much-applauded Act 3 ship pens the players uncomfortably); it comes up well, if not always accurately lit. In such a show, the function of producer is properly that of organiser rather than character motivator; Richard Gregson could further spruce up the lines of the processions.

The title part—the only one of interest in the opera—is again taken by Grace Bumbry. On Tuesday she made an indeterminate entrance, and gave a slightly brusque, neutral account of "Sur mes genoux" (anyone with the smallest experience of "old" singers on record knows that the big numbers of the opera all depend to a dangerous degree on vocal finesse). But the exotic, sinuous presence is no handicap, and in the last two acts the voice began to exercise a like enchantment—in Sélika's death scene, indeed, Miss Bumbry was singing more beautifully, more eloquently, than I have ever heard her do in the theatre.

The new tenor is Franco Bonisolli, a tall, good-looking Italian (clearly a good linguist) of agreeable vocal quality and sympathetic style spoiled by his provincial courtship of applause—Vasco da Gama, as imagined by Meyerbeer and Scribe, is a character of no substance whatsoever, but there was still no need for Mr. Bonisolli to slip in and out of role so blatantly.

Silvano Carroli's Nélusko strides the stage bravely, though his soft singing lacks control. In the smaller roles, Robert Tear's Don Alvar, Gwynne Howell's Inquisitor, and Donald McIntyre's baleful High Priest demand note. The principal bass role of the Admiral requires a grander and clearer voice than Richard Van Allan's. And Inès, whose pretty, difficult air opens the proceedings, [illegible] soprano tone, cleaner attack, and words less clumsily uttered than Miwako Matsumoto's—a strange piece of casting. The voice of the prompter was heard in short bursts of intense activity.

Hampstead

Goose Pimples

by B. A. YOUNG

Caroline Beaver's décor tells us at once that we are back in the upper-working-class world of *Abigail's Party*, the last really magic play at Hampstead to be "devised and directed" by Mike Leigh. One of the two "reception" rooms in Vernon's flat has a tiger-skin wallpaper; the other has outrageously vulgar black leather furniture and a bar in the corner. As often happens in plays that are devised by a director and have the details filled in at rehearsals by the company, there is only one situation: while Vernon is out dining his guests Irving and Frankie, his lodger Jackie comes in with a wealthy Arab she has met at the casino where she works as a croupier. It's the details that make the play so disgracefully funny.

Muhammad, the Arab, who is played by Antony Sher with such transcendent talent that it will be hard to nominate anyone else for the annual clutch of awards in the autumn. can think of only one reason why Jackie should have brought him home, and imagines that to take a thick bunch of fivers from his trouser-pocket will solve any difficulties. What a performance this is!—truthful to the least nuance (and, as the credits show, studied generously from life), never descending to the level of race-mockery. Tiny details sparkle like stars—the casual pocketing of Jackie's brooch, the proprietorial carying-off of Jackie under his arm when the drink has gone too far.

The others, too, are as good as you would expect in a Mike Leigh production, though I think Jim Broadbent and Marion Bailey as Vernon and Jackie go a little too far in the funny-voice business. All Miss Bailey's vowels come out as short o's, and she ornaments every phrase with an ornamental "yah" at the end. But the characters are happily realised, Vernon the successful car-salesman, Jackie the innocent club-worker. Vernon's two guests are another car-salesman, Irving, who turns every sentence into a dirty joke, and his wife Frankie, an imposing lady festooned with costume-jewellery. Paul Jesson gives Irving an excruciating touch of vulgarity, and Jill Baker as Frankie retires further and further into pomposity until the gin takes over.

From the moment when Vernon and his friends return (just as Muhammad has vainly thrown fistfuls of money at Jackie to get her belly-dancing) we play a long crescendo on a single chord. Vernon fancies Frankie; Irving fancies Jackie; and Muhammad, who speaks hardly any English, still believes he is in a club where Jackie is a dancer and Vernon the barman. Perhaps the situation is maintained a little too long, and certainly it never reaches a dramatic conclusion. Vernon shows Irving and Jackie to the door, Muhammad, having been sick on that great black sofa, lies snoring on the floor, and Jackie concludes, after some theatrical uncertainty, that the safest place for her is in Vernon's room.

Trevor Humphries

Antony Sher and Marion Bailey

Zurich Opera House

Lucio Silla by ELIZABETH FORBES

The Nikolaus Harnoncourt/Jean-Pierre Ponnelle cycle of Mozart operas at Zürich, inaugurated by *Idomeneo* last year, continues with Lucio Silla, which the 16-year-old composer provided for the Carnival season of 1772/73 at the Teatro Regio Ducal in Milan. Despite the conventional libretto (revised by Metastasio) of Giovanni da Gamerra and the strait-jacket imposed by the formal construction of *opera seria*, Mozart's dramatic genius is several times fanned into flame, while his characterisation in the 18 arias (Zürich cuts only three) and five concerted numbers reaches an amazingly high level.

Unlike Titus, the Roman Dictator Silla was not renowned for his clemency, so the obligatory happy ending—the proscribed senator Cecilio and the plotting patrician Cinna are forgiven, the former being reunited to his wife Giunia, the latter betrothed to Silla's sister, Celia seems even less convincing than usual.

In his production, Ponnelle counters the improbability by making Silla neurotically unsure of his authority from the start. All six characters are treated with effective stylisation and in spite of a plot without incident, dramatic tension is maintained.

Ponnelle evokes Rome in 80 BC through 18th century eyes with a false proscenium of classical pillars and by gauzes of Piranesi and Bibiena prints of the various locations, the banks of the Tiber, the Capitol, Silla's palace. Interiors are imposed on exteriors, as in the marvellous burial-chamber scene where Giunia and Cecilio meet by the tomb of her father Marius, killed by Silla. This sarcophagus is a permanent fixture, dominating every setting as a reminder of Silla's tyranny and the defiance of Giunia, whom he wants to marry.

Harnoncourt uses a large orchestra in a raised pit, producing a considerable body of tone from his devoted musicians, but many of the arias are delivered from right down stage, while a bravura style is encouraged for bravura music. Giunia is sung, with effortless virtuosity, by Edita Gruberova, who expresses her love for Cecilio as convincingly as she defies Silla. Ann Murray sings Cecilio with equal technical skill and an even wider emotional range. Their duet by the tomb and their respective arias of farewell in the penultimate, prison scene are inspirations worthy of the mature Mozart.

The trio which ends the second act, where the two soprano voices are joined by Silla, a tenor, also carries real dramatic power. Eric Tappy makes Silla credible, if not creditable, and projects his solo music strongly. Jill Gomez, in her first travesty role, is vocally a stylish Cinna, while she looks handsome in Pet Halmen's elegant costumes. Rachel Yakar is sympathetic as Celia, whose behaviour alternates between modesty and skittishness Peter Straka is competent as Aufidio, Silla's tenor confidant, while the chorus, with little to do, does it very well.

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‡ Call deposits £1,000 and over 11½%.
¶ 7-day deposits 12%.
§ Demand deposits 12%.
‖ 21-day deposits over £1,000 13%.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1979							
3rd qtr.	112.7	103.2	101	106.6	149.6	1,269	247
4th qtr.	112.6	104.2	101	109.1	185.9	1,286	230
1980							
1st qtr.	110.0	100.1	100	110.2	158.6	1,379	193
2nd qtr.	106.6	96.8	97	109.2	164.3	1,492	160
3rd qtr.	102.7	93.3	84	108.9	170.3	1,695	120
4th qtr.	100.6	89.8		109.5	205.2	2,018	100
April	106.7	97.7	92	109.6	163.7	1,458	169
May	106.5	96.5	93	108.4	161.3	1,484	163
June	106.6	96.3	107	109.5	167.1	1,535	147
July	104.8	95.2	87	108.5	172.8	1,606	126
Aug.	102.3	93.0	92	109.6	167.6	1,696	120
Sept.	101.0	91.5	74	108.5	170.4	1,784	113
Oct.	100.8	90.6	76	109.7	179.1	1,893	100
Nov.	100.8	90.0	86	109.2	192.8	2,028	97
Dec.	100.2	88.9		108.4	236.0	2,133	102
1981							
Jan.				111.5		2,235	103
Feb.						2,313	96

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1979							
3rd qtr.	105.6	96.4	132.5	95.0	105.1	100.2	21.0
4th qtr.	105.4	101.1	129.6	99.2	103.4	96.4	18.1
1980							
1st qtr.	104.6	100.9	123.4	98.8	56.4	92.2	12.3
2nd qtr.	98.2	96.2	123.2	93.2	93.7	85.6	16.0
3rd qtr.	97.0	94.7	117.3	91.3	78.0	82.8	12.4
4th qtr.	93.9	91.9	116.8	86.9	70.3	76.0	
April	99.0	97.0	122.0	94.0	89.0	88.0	15.0
May	97.0	96.0	124.0	93.0	99.0	84.0	16.7
June	98.0	95.0	124.0	93.0	94.0	85.0	16.4
July	99.0	96.0	121.0	93.0	81.0	85.0	13.6
Aug.	97.0	95.0	116.0	91.0	80.0	84.0	10.9
Sept.	95.0	94.0	114.0	90.0	73.0	79.0	12.7
Oct.	95.0	93.0	116.0	88.0	67.0	76.0	11.7
Nov.	94.0	92.0	118.0	87.0	74.0	77.0	10.9
Dec.	93.0	91.0	117.0	86.0	70.0	75.0	7.4

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1979							
3rd qtr.	129.9	132.5	−762	−210	−172	106.5	23.18
4th qtr.	129.8	132.6	−775	−579	−152	103.5	22.54
1980							
1st qtr.	133.1	126.9	−388	+ 54	− 95	101.0	24.87
2nd qtr.	126.1	126.2	−320	−122	− 11	103.4	28.15
3rd qtr.	125.2	118.7	+616	+918	+157	105.5	28.08
4th qtr.	126.7	112.0	+1,266	+1,566	+222	105.6	27.90
May	129.8	120.8	− 1	+ 77	− 25	102.0	28.28
June	128.9	124.2	+ 15	+ 81	− 23	103.8	28.17
July	128.6	117.1	+303	+403	+ 98	104.3	28.27
Aug.	123.8	120.5	− 29	+ 72	+ 23	106.0	28.29
Sept.	121.9	114.8	+344	+445	+ 39	105.3	27.64
Oct.	124.8	106.5	+476	+576	+133	105.4	28.03
Nov.	129.6	114.9	+423	+523	+ 54	106.0	28.19
Dec.	125.8	114.7	+367	+467	+ 35	105.5	27.48
1981							
Jan.	123.9	100.9	+757	+957	+210	106.4	28.39
Feb.							28.43

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1979							
3rd qtr.	12.0	11.2	13.2	+3,642	933	1,875	14
4th qtr.	14.4	15.6	22.6	+2,977	839	1,959	14
1980							
1st qtr.	− 4.0	7.2	21.9	+1,725	634	2,049	17
2nd qtr.	− 1.5	10.7	23.3	+3,219	697	1,964	17
3rd qtr.	14.4	39.1	45.2	+6,511	1,090	1,933	16
4th qtr.	8.4	21.0	11.2	+3,505	1,253	1,790	15
April	− 4.0	5.9	18.8	+ 701	266	682	17
May	4.0	12.6	21.8	+1,149	225	607	17
June	− 4.9	13.7	28.8	+1,369	206	675	17
July	11.7	36.5	50.8	+3,469	340	663	16
Aug.	11.2	40.8	46.4	+2,039	307	613	16
Sept.	20.5	39.3	38.7	+1,003	443	657	16
Oct.	5.5	23.3	19.3	+1,186	520	629	16
Nov.	7.7	19.1	7.7	+1,450	285	558	14
Dec.	10.6	19.2	7.0	+ 869	448	603	14
1981							
Jan.	9.8	13.4	10.1	+ 634	446		14
Feb.							14

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1979							
3rd qtr.	154.2	169.9	176.4	231.1	231.9	301.66	91.3
4th qtr.	161.7	183.9	181.8	237.6	237.2	295.13	88.5
1980							
1st qtr.	167.7	197.2	191.4	248.8	247.5	284.47	93.0
2nd qtr.	178.9	201.3	199.0	263.2	255.9	267.45	94.5
3rd qtr.	188.4	201.9	203.6	268.9	259.3	275.13	96.7
4th qtr.	193.2	203.4	206.1	273.9	260.7	269.25	100.2
May	178.1	200.4	199.0	263.2	255.7	268.23	94.7
June	183.7	201.1	201.0	265.7	275.9	267.45	94.5
July	185.1	201.7	202.7	267.9	259.9	273.57	95.6
Aug.	186.5	201.8	203.5	268.5	259.0	275.38	96.8
Sept.	193.6	202.1	204.6	270.2	259.0	276.44	97.6
Oct.	189.9	201.4	205.3	271.9	259.3	274.65	99.2
Nov.	192.6	203.4	206.2	274.1	260.0	270.56	101.1
Dec.	197.2	205.3	206.8	275.6	262.7	262.53	100.2
1981							
Jan.		210.6	209.6	277.3	266.7	251.88	102.0
Feb.						259.93	

* Not seasonally adjusted.

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Trident: case not proven

FOR THE first time there are now significant differences of opinion between the two front benches in the House of Commons on British nuclear weapons policy. That emerged from the debate on Tuesday when Mr. Brynmor John, the Shadow Defence Secretary, made it clear that the Labour Party would not support the Government's decision to acquire the Trident missile system.

Mr. John said nothing about the future of the existing Polaris system, which should be capable of at least another ten years' service. But his speech was still a notable departure from the postwar front bench consensus on these matters, whatever may have been said in Labour Manifestos. If Labour had been re-elected in 1979, a Labour Government would most likely have opted for Trident. Certainly that would have been the preferred solution of Mr. James Callaghan and Mr. Denis Healey, though Dr. David Owen, who was Foreign Secretary at the time, had a different view even then.

Range of opinion

Labour's policy today should not be dismissed simply as a move to the Left of the kind that might be expected in Opposition and under the leadership of Mr. Michael Foot, who was *once—and maybe still is*—a unilateral nuclear disarmer. It is clear that there are differing views on the future of the deterrent in all parties, as well as among informed opinion outside Parliament. For example, Mr. Douglas Jay, a former Labour Minister, spoke in favour of Trident, though he did not believe that it could be afforded on present economic policies. There are also some junior Ministers—of a calibre shortly to be in the Cabinet—who are against it, although they do not appear to have pushed their views very strongly.

This range of opinion ought to be taken seriously by the Government. It is quite possible that if a proper case for Trident is not established, the opposition to it will continue to grow to the point where the system will have to be abandoned before it is put into operation.

The case that the Government has to prove is that Britain needs an independent deterrent, that Trident is the best system available, and that we can afford to acquire it without damaging our conventional defence effort.

The third point—about affordability—is the most important. The possession of an independent nuclear deterrent is an insurance against the unlikely combination of events that the U.S. disengages itself from the Atlantic *Alliance, that parts of* continental Europe go neutral, and that Britain finds itself in confrontation with a nuclear power. In those circumstances, *a deterrent would be useful to* have.

There seems to be little doubt that Trident is the best system on offer. It is accurate, highly destructive and flexible—in the sense that it could be deployed against cities or military-industrial targets. It is also, by courtesy of the Americans, cheap at the price.

That does not mean, however, that we can necessarily afford it, nor that the country will willingly take out an expensive insurance policy against the improbable. On the Government's present estimates, the acquisition of Trident would cost about £5bn spread over 15 years. It is expected to absorb an average of 3 per cent of the defence budget over the period and never more than 5 per cent *in a* single year. Over such a time scale, such sums may seem relatively modest. Yet the defence budget is already under severe pressure even before the Trident programme has begun and the chances of high economic growth in the next few years are not particularly bright. The real question, therefore, is whether we can afford to acquire Trident without having to make defence cuts elsewhere.

Unsatisfactory

Mr. John Nott, the Defence Secretary, failed to give a satisfactory answer in Tuesday's debate. He used the curious argument that the pressures on the defence budget were there already and not created by Trident, without drawing the logical conclusion that Trident would increase the pressures still further. It is beginning to look as if the price of Trident will be giving up something else: whether the British contribution to Europe, to air defence, to the Atlantic or perhaps to activities outside the NATO area.

If the Government wants to take the country with it, it will have to make a much clearer statement than it has done so far about how defence resources can be matched to defence commitments.

Principles for energy pricing

THE SEEMINGLY endless controversy over Britain's industrial energy pricing is reaching a decisive stage. The Energy Department has put its name to a report which acknowledges substantial disparities between British and Continental energy prices for certain classes of industrial users. The official *imprimatur on* yesterday's report means that the stalling cannot go on much longer. Some help for industry is probably imminent.

Sterling

After the months of wrangling over figures, it is time for the debate to concentrate on the principles under which such help must operate. In yesterday's NEDC discussion, the Government put forward three such principles which, although *they are all negative,* outline what Ministers think that industry can reasonably expect. The Government is not prepared to make Britain's energy *suppliers match* Continental prices in all circumstances. Secondly, it warns that energy prices cannot always be expected to reflect fluctuations in sterling. Thirdly, *it cannot* force Britain's energy utilities to base their tariffs on the cost structures which prevail in other countries.

Underlining all these points is the general principle that prices charged by utilities should always cover their costs and that subsidies should, as far as possible, be avoided. As Mr. Norman Lamont, Energy Minister, said in Brussels this week, if other EEC countries are found to be subsidising their electricity, they should be forced to raise prices to British levels and not vice versa.

All these principles seem unobjectionable enough. They leave plenty of room for the immediate assistance which the Government is most likely to provide—a cut in the excise duty on heavy fuel oil. Heavy fuel oil duty is more than double that in other major European countries. A decision to reduce it, possibly making up the revenue by increasing the duty on petrol sold to private motorists, is entirely at the *discretion of the Chancellor.*

Unfortunately fuel oil is not the energy source in which Brtish industry suffers the greatest competitive disadvantage. When it comes to providing more important help with bulk electricity supplies, Ministers may find their apparently unassailable guiding principles dissolving. The Government now accepts that for large energy users, which account for only 5 per cent of all customers, but perhaps as much as 50 per cent of electricity supplies by volume, prices have "moved significantly ahead of those charged to some major competitors on the Continent." *The claims that some* bulk customers pay 40 per cent more in Britain than their counterparts in France are confirmed by the Task Force's figures.

However, to prove that such disparities are due to subsidies may well be impossible. The reason is that simple notions of competitive market pricing are not applicable to electric utility tariffs. In theory most utilities, including both the Electricity Council and Electricite de France, claim to operate on a basis of long-run marginal cost pricing. But the determination of long-run marginal costs—for example, whether they are to be based on coal or nuclear generation, on market interest rates or other rates of discount—leaves Governments and managements with very wide discretion over average prices.

Efficiency

A joint European approach to this problem would certainly be *welcome in the long term, but* the Government should not delay changes in Britain's tariff structures in the hope of a panacea from the European Commission. The objective of bringing the level and structure of Britain's tariffs into line with those in other major European countries cannot be dismissed by saying that British costs are necessarily determined by uniquely British factors such as the relative efficiency of our power stations or the level of our wages, which are independent of the strength of sterling. It is possible that moving Britain's utility prices towards those charged in Europe could help to introduce an element of market discipline into these monopolies. There is certainly *no reason why they should* be made immune from the pressure to improve efficiency and reduce costs which Britain's trading industries are experiencing.

ECONOMIC VIEWPOINT

$2\frac{3}{4}$ cheers for Social Democracy

By Samuel Brittan

"HOW MUCH the greatest event it is that ever happened in the world! and how much the best!"

ONE CANNOT apply exactly the words of Charles James Fox, uttered on the Fall of the Bastille, to the emergence of the Social Democrats and the likelihood of their mounting a joint challenge with the *Liberals,* to the two main parties. It is, nevertheless, the best thing that has happened in British politics ever since I have been following them. Already the political scene has changed for the better.

This is so, quite irrespective of whether one agrees or disagrees with particular Social Democrat policies. Nor does one have to assume that the Gang of Four have suddenly become saint-like figures free *of all electoral temptations.*

It is possible to explain the benefits in the most cold-blooded language of the economic commentator.

Imagine that there is a detergent duopoly and Procter and Gamble and Unilever dominate the market, around which there are heavy entry barriers. But *it is worse than that. The* market is a peculiar one in which all the customers have to settle for four or five years with only Unilever or only Procter products.

In these circumstances it would not be surprising if the two large companies could afford to please themselves, their shareholders, their workers and executives, rather than the public.

Translated into political terms, people will vote for almost any Labour or Conservative leadership, irrespective of qualities or programme, if they are sufficiently frustrated to want to dismiss the existing government—which they very often are. This gives party activists and interest groups a disproportionate influence relative to normal voters because their leaders can afford to indulge them, e.g. by a mass of pro-union legislation by *Michael Foot in 1974-76* or by *favouring* Trident-style militarism and pro-farm policies.

The arrival of a third group with a good chance of holding the balance of power, if not more, should change the character of the market. Surely Herr Helmut Schmidt must thank his lucky stars every day that the Liberals in his coalition can speak with an independent voice and not have to spout SPD jargon.

There is only one policy on which they need agree immediately . . . electoral reform, embodying proportional representation.

There is only one policy on which the Social Democrats need agree immediately both among themselves and with the Liberals. This is, as suggested by Professor James Meade, that they would support temporarily whichever of the main parties is prepared to implement electoral reform, embodying proportional representation.

The present system is hopelessly *biased* against third parties without a strong nationalist or regional basis. If the new alliance becomes distracted by other issues it will suffer the *fate* of the Liberals, who held the balance in 1974 and nearly did so in 1964-66, only *to fall back at the subsequent* elections.

Is the main benefit the promotion of radical ideas, or is it a prevention of the notorious policy switches between and within every Parliament which makes the British political environment so much a curse to the business community? A bit of each, surely. The new group will be able to promote ideas (including, I hope, a People's Stake in North Sea Oil) unlikely to emerge from the two great coelacanths. But any enacted changes will in the end have broader support and be less likely to be reversed than under our present system of elective dictatorship.

Indeed, *one reason* why Thatcherite policies have run into such heavy weather is that they are the result of a takeover of the Conservative leadership *to which the Heathites and the* old guard are still quite unreconciled. Not being able to sell their policies to their own Cabinet or Party, economic ministers have been unable to reach out to a broader political spectrum.

Thus, arguments about policies have been bogged down in theological disputes about the nature of Conservatism, just as arguments about nationalisation or nuclear arms were conducted in terms of "the meaning of socialism" rather than their contribution to *peace and prosperity.*

There is only one plea I would make to the Social Democrats: to think several times *before seeking soul mates* among the Tory "wets." Dr. David Owen emphasises in his new book Face the Future (Cape, £12.50) the split in the *Socialist tradition between the* unfortunate recent emphasis on Whitehall and centralised corporatism, and the other individualistic, iconoclastic and decentralised strand. (It is a pity that he does not mention Betrand Russell in this connection.)

Surely the decentralisers among the *Social Democrats* should find the Thatcherite distrust of big government less uncongenial than the attitude of the upper-class Tory paternalists.

Indeed, the Social Democrats are in a position to call the bluff on much Conservative talk about markets and incentives by applying these ideas in novel areas where Conservatives draw back. Examples include the failure of Mr. Peter Walker to revalue the Green Pound or to press for a consumer-based radical overhaul of the Common Agriculture Policy.

Other notorious examples are the special privileges of pension funds, insurance companies and mortgage holders, which cost the Revenue nearly £3bn a year. Their phasing out would provide much of the revenue required to index and extend child benefits and to raise the real tax thresholds. For the main work disincentives, as MPs from Frank Field to Ralph Howell have pointed out, are now at the lower end of the incomes scale.

By removing the special *incentives to institutional* investment, such changes would do more to promote small firms than any number of handouts in *the next Budget which are* likely to distort the tax system further. This is all rather breathless, but just meant to illustrate that a social market economy *is much more radical*—and in the right sense egalitarian—than anything that has occurred to the Whitelaws, Priors and Carringtons of our political world.

Pay policies for full employment

ONE OF the most refreshing *aspects of the rise of the* Social Democrats has been the new wind that has been given to the ideas of Professor Meade, the Nobel prize-winning economist. He combines a belief in fraternity and redistribution reminiscent of Frank Field with a belief in markets as an instrument of personal choice going beyond anything put forward by Margaret Thatcher or Keith Joseph.

The Meade-type incomes policy is so different from anything previously served up under that label that it deserves a better name — market orientated employment policy *would be a more fitting* description.*

It is also far ahead of Liberal Party policy, which is still stuck with wage and price control.

The foundation of the Meade proposals is that the total demand for goods and services should be controlled by the use of monetary and budgetary policies. The aim would be to secure a moderate but steady rate of growth—say, 5 per cent a year in the *total demand* for labour in money terms. "I am in this respect standing Keynesianism on its head. I am suggesting that demand management should be used to control monetary inflation and deflation; and against that background the rate of pay should be used to achieve and maintain full employment."

This sounds like an unusually well-argued statement of the case *for the present Government's* medium-term financial strategy. But Professor Meade has one minor and one very major reservation. The minor one is that he would use "finely tuned fiscal policies" as his main instrument of demand management. This is a technical reservation on which it is not necessary to take sides.

Far more important is that Professor Meade's support of a medium-term financial strategy *is dependent on the reform of* pay-setting. His aim is to set wages and salaries at something near market-clearing levels to maintain full employment. A market-clearing wage or price is one which balances supply and demand in the market concerned—so that there are no lasting shortages or surpluses.

Without the labour-market changes "the financial policy is not to be attempted." Nevertheless, Meade emphasises that, faced with a threat of a real runaway explosive inflation, restrictive monetary and fiscal measures will sooner or later be inevitable, whether he *recommends them or not.*

Professor Meade's solution: trade unions are monopolistic bodies which should be stopped from taking action which reduces employment.

How, then, is wage settlement to be reformed? Professor Meade makes short work of bogus remedies such as "comparability" and "productivity." He is passionately concerned to help the low-paid, but not by interfering with the market mechanism and destroying their employment opportunities. Nor will have have any truck with corporatist pacts between national employer and union organisations, or indeed with detailed wage controls set in any other way.

His own solution is to recognise that trade unions are monopolistic bodies which should be *constrained to act in the social interests. By this he does not* mean vague appeals for wage restraint or the reinforcement of pay norms. He means they should be stopped from taking action which reduces employment.

His scheme comes in three versions. The second, which seems to have made most headway, is that any claim could be disputed by the employers, the employed or *the Government.* A Pay Commission would determine whether the claim would or would not promote employment in the sector concerned. An award in favour of the employee would be enforced through contracts of employment. An award in favour of the employer would not be legally enforceable but, once the Commission had ruled in a particular case, the unions would lose most of their exist*ing legal immunities.*

Possible sanctions come from a list familiar to those who would like to tackle union privilege in any case: supplementary benefit for strikes to become a loan, PAYE rebates to be postponed in a strike, the removal, from those striking against an award, of legal immunities from tort actions against themselves or their unions, and so on.

There could be great difficulties in deciding the seriousness of the employment effects in particular cases, as Meade readily admits. How far ahead will the "tribunals" look? How would they forecast? How far would they take into account effects in related industries? These difficulties would matter less if resort to tribunals were *occasional and sanctions* very rare, as Professor Meade would like.

I am torn between an ingrained scepticism towards commissions and tribunals and an attraction for anything that would emphasise that union monopoly power is, in the long run, a threat to employment rather than to price stability. (That, of course, refers only to the *macro-economic aspects.* Professor Meade, unlike Mr. James Prior, is in favour of a ban on the pre-entry closed shop in all cases.)

The *main danger* of the Meade proposals is that mainstream politicians would see them as just another incomes policy with a few trimmings. The tribunals could degenerate easily into conciliation bodies concerned to buy off trouble—or alternatively into enforcement agencies for old-style pay norms, highly sensitive to the pressures of the smoke-filled rooms.

This makes it all the more important to propagate the *underlying ideas, rather than* the mechanics. The proposals can be seen as a way of tackling union power indirectly, by action in blatant cases, when neither Conservative nor Labour governments have succeeded with the full-frontal approach. The Social Democrats have the great advantage of neither being tied to the unions like the Labour Party nor full of fear and guilt feelings towards them as are so many Conservative *Cabinet Ministers.*

* *The latest version is described in Prof. Meade's chapter in The Socialist Agenda, (ed. Lipsey and Leonard, Cape, 1981, £7.45.).*

MEN AND MATTERS

What's mined is yours

The future of another industrial dynasty seems to be assured for a further genera*tion with the appointment of* Harry Oppenheimer's son Nicholas to the executive committee of South Africa's Anglo American-De Beers mining empire.

"*It is part of his natural* progression," says an Anglo executive. "I think in the fullness of time, we do expect him *to take over. But there will* probably be an interregnum."

In spite of Anglo's strong family tradition — Harry Oppenheimer succeeded his *father Ernest as chairman* and the family holding company has an 8.2 per cent stake in the mining group — Nicky's succession has not always been taken for granted.

For a time Gordon Waddell, former Scottish rugby international and Harry Oppenheimer's son-in-law, was regarded as the heir-apparent. But he has divorced and remarried, taken the chair of Johannesburg Consolidated Investment, and faded *out of the running.*

The man in the obvious position to take over when Harry Oppenheimer, now 72, decides to retire is Gavin Relly. Anglo's 55-year-old deputy chairman and forceful head of its executive committee.

But Nicky, still only 35, has time on his side. His career in the company has clearly been designed to give him experience in all the most important fields. *He now works full-time in the* chairman's office, having recently given up his post as marketing director of the gold and uranium division.

He has also been responsible for one key area of company policy—black advancement. He was chairman of the employment policy committee which introduced an undergraduate cadet scheme to put young black management trainees through university. The role brought him for the first time into the *public* eye.

Nicky does not claim to have any special area of interest in the group's activities. "If you are in the chairman's office, then *everything comes* across your desk at some stage," he says.

As for his appointment to the executive committee. "I am obviously very pleased. It is a decision of the board when one should join," he says. Does he see himself being groomed for the chairmanship? "I don't see that as the way it is *going,*" he says modestly, "but I would hope every single person who works at Anglo would aspire to be chairman."

Track record

"My personal resources are limited. They are very limited. They are extremely limited. But when I say they are extremely limited, they are adequate to buy The Observer and run it."

Oh, to be in such financial straits: The gentleman with the tight purse strings is, of course, Lonrho chief executive Tiny *Rowland in an unusually* expansive mood after the extraordinary meeting yesterday at which group shareholders gave the green light to its aspirations to take control of House of Fraser. A man always more willing to discuss his business than himself—prone, at best, to blur the distinction — the elegant Rowland nonetheless consented to throw a little light on the purposeful obscurity of his personal life.

A very little light, mind you, but sufficient to undercut one of the more romantic legends about *his early life, which he has* from time to time himself encouraged. Did he really start out as a porter on Paddington Station?

The *story* originated, explained Rowland, when a reporter asked Harley Drayton why Lonrho was taking control of Nyasaland Railways, a deal *done* back in 1962. "And Harley Drayton said 'didn't you know, Rowland, our managing director, has experience.'"

"What sort of experience?" asked the Press man. "Didn't you know," Drayton is said to have replied, showing some of Royland's taste for the rhetorical, "he was a porter on Paddington Station, and he used to meet the first-class carriages."

"I was very impressed," reflected Rowland yesterday, "*and I thought, by God, that's* not an opportunity to be missed."

Market gap

So many of its active leaders have moved to the emergent *Social Democratic Party* that the Labour Committee for Europe is now considering whether to follow them.

A poll of members is being taken to decide if it should remain a branch of the Labour Party or change its constitution and turn itself into a conglomerate of the broader pro-European Left.

Though the LCE has always been confined to Labour Party members, similar organisations *in other EEC countries* have embraced wider groupings of Socialists and Social Democrats. If it does not take the same step, the LCE will certainly have a lot of gaps to fill in its letter-heads.

Gone are chairman Tom Ellis, vice-chairman John Cartwright and Norman Hart, joint treasurer Lord Walston, president Roy Jenkins, vice-presi*dents Tom Bradley,* Lord Lever, David Owen, William Rodgers and Shirley Williams, and executive members Ian Wrigglesworth, Mike Thomas *and John Roper.*

Nowhere else in the ambit of the Labour Party has the defection left such a noticeable hole though several bodies—like the Fabians who meet later this month to elect journalist David Lipsey to the chair vacated by Shirley Williams—are busily plugging smaller gaps.

Closing the book

The death yesterday of Sidney Jenkins, founder of the stock market's smallest jobbing firm, S. Jenkins and Sons, deprives Throgmorton Street of one of its most colourful and best-loved characters.

"Sid the Sod," as he was affectionately known, spent all but 20 of his 75 years *in the* market. He started life as a butcher, so the story goes, and during one bull market came in to help his brother, who was a *Stock Exchange Clerk. He* decided to dig in there, and served with several firms before setting up his own pitch in April, 1960.

His first book was a clutch of greyhound track companies, most of which have since been swallowed up by property development groups. Sons Tony and John, who now run the firm, still keep a "fun book" in football club shares.

Supercharged

"He may be 50—but he can run up a steep bill faster than someone half his age!"

Observer

Max Wilkinson reports that a worrying new pattern of decline is emerging where once shipbuilding was king

A town forced back on its own resources

THE RIVER Wear, which cuts a deep and unsightly gash right through the centre of Sunderland, is still scarred by the industrial debris of a past age when it was the greatest shipbuilding centre in the world.

The ponderous iron bridges, whose huge buttresses, high enough to clear a tall ship's masts, tower over the river, seem almost a monument to the fact that the town's very reason for existence is fading into history.

For years there have been efforts to promote new investment in places like Sunderland. But all too many of them appear to have flagged and stumbled before they ever reached this rather remote corner of the North East.

Recently, a new and worrying pattern of decline has begun to emerge: the grim schedule of factory closures and manning cutbacks now includes a high proportion of just those ventures which Government aid and regional policies had striven to bring to the area. Their collapse has been, in many ways, a harsher blow to the town's confidence than the steady erosion of shipbuilding

The reasons for the disappearance of many of Sunderland's relatively new factories range from a change of technology in the case of Plessey's telephone exchange plant, to trends in the clothing market which helped to kill off factories established by Hepworth in 1947 and Jackson the Tailor in 1952.

As a result of these and many smaller closures the area is being thrown back on its own resources. Professor John Goddard, director of Newcastle University's Centre for Urban and Regional Studies says: "The future lies in trying to make the most of what is here, but the worrying thing is that there is so little indigenous enterprise left.

"The new companies which regional policies helped to bring in have poached skilled labour and helped to kill off the indigenous firms."

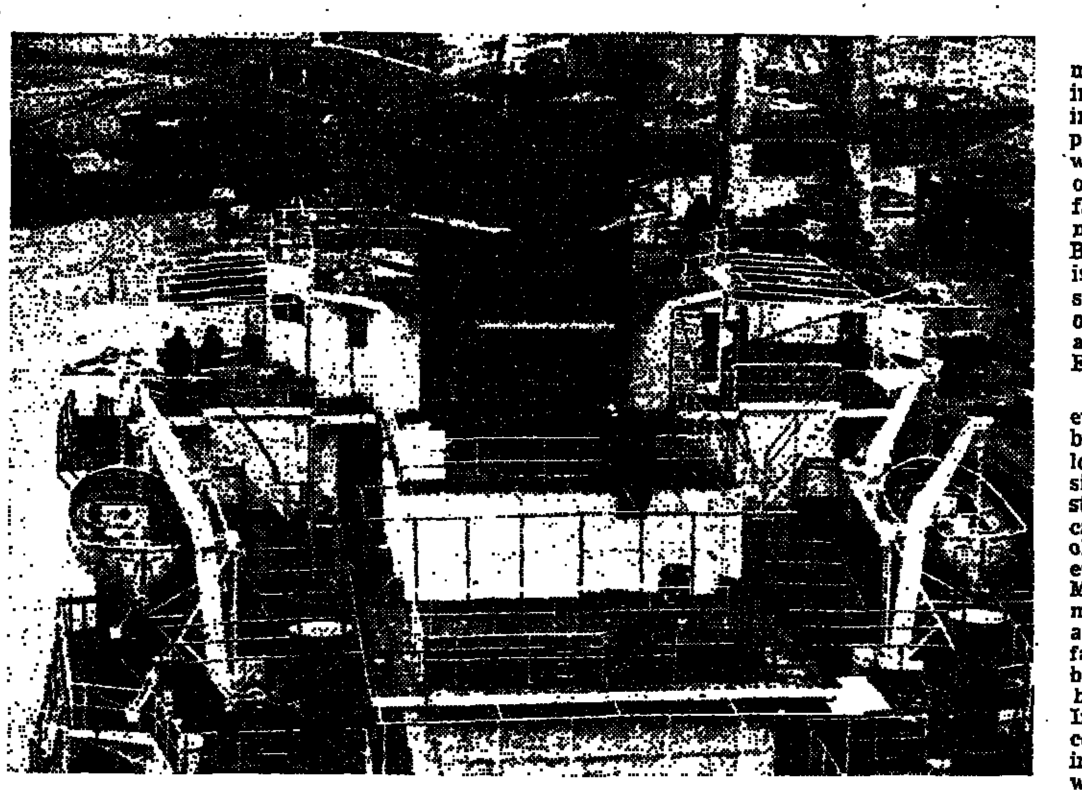
After all the vicissitudes, shipbuilding is thus still a relatively solid industry employing 3,700 men in two modernised yards. But this is a very small number compared with the 300,000 who live in the new Sunderland urban district.

Now, the most important source of livelihood is the State. In addition to the 20 per cent of men unemployed, a quarter of those fortunate enough to be in work are dependent on the public sector.

The centre of gravity of the district is still the old coaling port, the elderly factories and disused mines which cluster around the river valley. Only seven miles inland, Washington New Town (now within the district boundary) offers attractive housing and plenty of new sites, but the people in the old town have been generally slow to move. As one employer put it: "They are used to living so close to work, that they could be knocked up in the morning and walk down to the shipyard at the bottom of the street."

Some of the "new" companies came partly to exploit the large pool of unskilled female labour. But they went away again as soon as times became hard. Even the big established employers have been cutting back. They include Jobling, established in 1879 but acquired by the U.S. Corning Glass in 1973, the Vaux brewery founded in 1806, and Coles Cranes which in 1939 took over Steels, a venerable company with ancestry dating from 1879.

This melancholy trend is being resisted vigorously by people like Mr. Charles Slater, the solicitor who leads Sunderland Council. But the Labour-controlled council is also concerned with projects like the



Final work on the bridge of the Karachi-registered "Murree," the first SD18 bulk carrier to be built at Austin and Pickersgill's yard on the Wear. Destined for Pakistan National Shipping Corporation, it is scheduled for delivery in April.

buddle of workshop-sized factories at Bonnersfield on the north bank of the river just seaward of the old railway bridge.

This effort to nourish the seeds of local enterprise has been hearteningly successful. Some 45 new units have been established, about three-quarter in manufacturing trades like machining and metalworking, each employing from two to a dozen workers. In the past five years 30 per cent of the businesses in these council units have moved on to bigger premises.

Many of these small enterprises have floated off from the wreck of much larger companies. When Greenwell's ship repairing yard foundered five years ago, for example, it left two survivors determined to continue the same trade on their own account.

Mr. Alan Greenhalgh, aged 42, and Mr. William Green (32) started doing odd repairing jobs with £800 apiece in redundancy money, a van and a few tools. Now they employ 10 men in a growing business which turns over £130,000 a year, and seems set to diversify into other engineering work.

But these new enterprises, however welcome, are mere sandcastles against a rising sea of unemployment. In January alone 800 jobs were lost in Sunderland; last year 5,000 disappeared, and during the last five years a total of 15,000 jobs have gone, many of them without hope of return. With male unemployment at 20 per cent, twice the national average, and worse expected, it is not surprising that Mr. Slater says: "I think the present Government has written off the North East. . . ."

The port, with its rotting piles, rickety staging and the desolate 1,000 yards of Corporation quay, underline the fact that Sunderland has seen better days. Yet by a grim modern irony, the river and the two shipyards upstream have become once again an important focus of the town's hopes.

The two main shipbuilders, Austin and Pickersgill above the bridge and Sunderland Shipbuilders in the old Pallion yard, employ 3,700 people between them and are among the most successful of all British Shipbuilders' operations. In particular, A and P's SD14 bulk carriers have found a good market, and the current order book will provide work at least until the end of this year.

However, this relative success in the face of extremely tough competition shines wanly in a town which once employed 20,000 men in yards crowding the river banks and which in 1920 launched as many as 67 ships totalling 333,000 tons. The town saw what was coming, even before the First World War. In 1909 the River Wear Commissioners, the Chamber of Commerce and the town council agreed that fresh industry must be attracted to reduce the dangerous dependence on shipbuilding and coal.

The effort continues but now much more in the spirit of trying to run up a downward moving escalator. Still there is a passionate hope that Fortune's wheel will throw a giant plant on to Wearside (like the car factory which Datsun is planning somewhere in the UK). But more and more the mood is changing towards policies of self-help and the development of those industries where roots are embedded in the North-East.

Such businesses are, however, hard to find. Vaux breweries is one of the few locally owned companies of any size which is obviously there to stay. Its red horse-drawn dray carts seem to proclaim a sort of old-fashioned prosperity. But even at Vaux, times are hard. Mr. Paul Nicholson, the chairman, says beer sales this year are down 10 per cent, the worst fall-off since the 1930s, and business in the company's hotels is down 10 to 12 per cent. In spite of this, the company is continuing to invest, but mainly in automated equipment which would mean that the 1,000 people employed in the brewery would not greatly increase even when demand picks up.

The labour force has been slimmed by about 10 per cent so that Mr. Nicholson says: "If the market comes back I think we will be more efficient." He thinks that the recession has had at least some side benefits. Vaux, in common with other companies, is now putting more effort into forging better relations with the workforce, and Mr. Nicholson believes the anxieties both of management and employees have contributed to their mutual understanding. At the same time he thinks managers have regained more of the right to manage.

Vaux now hires the Sunderland Empire, the municipally-owned theatre, three times a year to brief its employees. Mr. Nicholson says: "We are trying to foster the idea that we are all one lot together. This effort predates the recession, but it was given an immense fillip when we needed to tell people exactly how their jobs would be affected."

Almost all the other major companies are either part of larger conglomerates — what the locals rather scornfully call "branch factories." Hardly any have escaped without casualties, and many have simply been closed down by their parent groups.

Even the bright new factory established last year by Danish Grundfos on the outskirts of the town seems to point a rather uncomfortable moral. The factory, which cost £3.5m, makes central heating pumps with highly automated modern equipment so that it needs to employ only 200 people to make 2,200 pumps a day. Clearly the trend for this type of company will be towards higher capital investment and fewer jobs.

But even when the recession ends the old part of Sunderland is poorly placed to attract either new factories or new office development.

What is its future? Mr. Robert Edmunds, chairman of the Tyne and Wear Chamber of Commerce's local government committee and a partner of Storey Sons and Parker, the area's leading estate agent, says: "There is nothing Sunderland can offer that Washington cannot offer better.

"The deeper you go into the problem, the more you realise that there are many people there who have no hope."

His pessimism is echoed by Professor Goddard who says: "The only way forward now is through massive state intervention. . . ."

Tomorrow: Coventry—one-time symbol of success in trouble.

Letters to the Editor

Fairy tales believed

From the Group Finance Director, Bestobell

Sir,—Messrs. Seddon and Hazell's article (March 2) gives many of the reasons why current cost accounting (which is not a system of accounting for general inflation) is important. They do not, however, point out that a rate of growth of CCA profits of 8 per cent per annum over the decade 1969-78 was woefully inadequate to fund inflationary growth in assets over the same period.

Average annual growth in CCA profits in industry as a whole over the decade of the 1970s should have been in the range of 15 per cent-20 per cent p.a., that is, broadly in line with general inflation. The fact that it was not so has led to a shrinkage of the capital base of industry and loss of markets and competitiveness.

The "once again we report record sales and profits" syndrome mentioned by Messrs. Seddon and Hazell has been a major contributor towards the erosion of capital base and market share. If boards tell shareholders and workforces these fairy tales they should not be surprised when they are taken at face-value. It is vital that inflation be squeezed out of the system so that we can begin to stop fooling ourselves with the numbers game, but unfortunately the squeeze is a long and painful process involving very unpleasant withdrawal symptoms.

P. S. Lewis.
Bestobell House,
16, Bath Road,
Slough, Berks.

Nuclear energy

From Mr. D. Stoddart, MP.

Sir, — Mr. David Fishlock, your Science Correspondent, is, of course, as entitled to his views as anybody else. His comments, however, on the report of the Select Committee on Energy on nuclear power (February 27) are intemperate, abusive and, in some instances, bordering on the defamatory.

Mr. Fishlock accuses the committee of failing to understand the Government's strategy on nuclear energy and appears to suggest that the committee should have made a ringing declaration for or against nuclear power. But it is Mr. Fishlock who has missed the point. The committee stated quite clearly that it was precisely this artificial polarisation of the issue—so beloved of journalists — that they wished to avoid.

It does not matter whether one is for or against nuclear power as such — the important point is that this country should have available to it as cheap and reliable a supply of energy as possible. Whether this should be provided by nuclear power, by coal or by other means (or by a judicious mix of different options) depends upon a whole range of economic, technical and political judgments. The aim of the committee, therefore, was not to start from preconceived prejudices in favour of one source of energy vis-à-vis another, but to examine the arguments and assumptions upon which the Government's proposal for an increase in the use of nuclear power was based.

Mr. Fishlock might care to reflect upon the fact that, following over a year's study, both the Government and the Generating Boards so signally failed to convince an entirely disinterested group of Members of Parliament from both major parties of the "economic and industrial case for a programme of the size referred to by the Secretary of State in his statement of December 1979."

Space does not permit me to deal with each of Mr. Fishlock's allegations individually. I would, however, like to make two further points. Mr. Fishlock's suggestion that the committee's advisers were appointed "by individual Members . . . to reinforce a personal view" is totally untrue and extremely offensive to the integrity of those who served us with great distinction throughout our long inquiry. (As a matter of record, advisers are appointed by the whole committee, not by individual members.)

The suggestion that planning margins can simply be left to the technical judgment of the board is an extraordinary one. Does Mr. Fishlock really believe that no matter how high the planning margin goes, no external scrutiny is appropriate? The committee dealt at some length with this point in the report, noting that "at an assumed capital cost of £1,000/kW, a 28 per cent rather than a 20 per cent planning margin would involve an additional investment of £6bn over the next 20 years." Mr. Fishlock may view with equanimity the pre-emption of resources on such a scale by a technical judgment of the boards, but I doubt whether his opinion would be shared by many electricity consumers, especially since the planning margin was at 20 per cent until quite recently (1977).

It was precisely because the committee did not wish a lower planning margin to be achieved at the expense of "the lights going out" that we recommended a full reappraisal by the Government of the current standards of scrutiny of supply, to ensure that they are still appropriate.

David Stoddart.
House of Commons, SW1.

Public sector pensions

From Mr. A. Hill.

Sir,—Once again inflation-proof pensions are the subject of front page articles. Appearing more frequently now, though, are references to an inflation-proof medium for the investment of pension fund assets with comments that seem to indicate that the availability of such a medium would lead to more private sector employees being provided with pensions protected to the same extent as their colleagues in the public sector.

I cannot see how this can be so. Trustees of pension funds already require a real return on their investment to provide a fixed pension for members. To provide a pension that increases will need either a higher real return to be available or more money to be paid by employers and employees.

An inflation-proof bond or investment will, by definition, not produce a real return but merely maintain its value.

It is, therefore, unlikely to be regarded as either a competitive investment medium while high long term guaranteed interest rates are available or as some form of bridge over the troubled water between public and private sector pension rights.

A far more significant anomaly to which little publicity has yet been given is the difference between the pension earned by someone who leaves a public sector job and that of his private sector colleague. The former is increased each year in line with inflation from the time he leaves—regardless of where or whether he works afterwards. The latter is usually left with a frozen pension. Retirement could be 40 years away for some of these people. Over the period the ex-civil servant's pension will be over 20 times greater if inflation averages 8 per cent per annum. Can a few years' public service justify that? I can sympathise with retired public sector workers but not ex-public sector workers.

Andrew Hill,
Estridge and Ropner,
7 London Road,
Newbury, Berks.

Index-linked options

From Mr. W. Brewood

Sir,—There has been a flood of articles and letters dealing in great depth and detail with the vexed question of index-linked pensions. The general effect has been to confuse the issue beyond the understanding of ordinary mortals and I would like to bring the discussion down to earth by asking two very simple questions.

If the Government is satisfied that 3.8 per cent of earnings is adequate contribution for index-linking will it allow anyone who wishes to opt into this scheme to pay 3.8 per cent of his or her earnings and enjoy consequent benefits, or if not, why not?

The level of contribution is dependent as I understand it on having taken a long term view of the future rate of inflation, investment returns and the level of pay settlements. Can the Government Actuary please state what the actual percentage contribution would have been for each year from 1971, if instead of taking the theoretical long view, he had with hindsight applied the factors which actually existed in that year?

W. N. Brewood.
Kilmory, 67 Ashton Lane,
Sale, Cheshire.

Inflation proofing

From Mr. C. Beney

Sir,—I have watched your pages in vain for someone to point out that, contrary to popular belief, nearly every one of us in this country has some kind of inflation proof pension. Far from pointing it out many of your correspondents refuse to recognise it when it stares them in the face.

For example Mr. Whalley (February 21) says that the national pension has remained at around 30 per cent of the average wage for the last 60 years. What is this then but almost perfect inflation proofing? Yet he seems to think such inflation proofing is impossibly expensive. As well as the basic pension the earnings related part of the national pension is also explicitly inflation proofed.

Anyone within 25 years of retirement who has not been opted out of the scheme has to pay as part of National Insurance a lump sum which gives additional pension at retirement of a fixed proportion of current salary. This sum is indexed every year up to retirement. That is, it buys a slice of extra pension which retains its value in real terms. Those opted out must do at least as well as this is a condition for such an option. Again, pensions beyond this are often provided by private pension funds which, on balance, can with their tax concessions, manage to keep the value of contributions (employees' or employers' it matters not) just about inflation proofed. This is the money purchase concept rather than the final earnings concept, and I believe once understood is by far the more rational of the two anyway. There may be need to improve the details of these schemes, particularly the way benefits are paid out, but that is no reason for ignoring their essentially inflation proofed nature.

I would ask those who seem to feel that full inflation proofing will impose an intolerable burden on those still working to ponder three things: we are now much nearer that position than people seem to think; much of the cost has been and will be paid for by the rolled-up value of the money paid by those drawing them; and individual pensioners do not live for ever (though they are always with us as a group) and compared with a lifetime's earnings the sums involved in real terms are not so very large.

C. Beney.
12 Woodlands Road,
Bushey, Watford.

Britain's exporters

From the Overseas Director, IMI

Sir,—On my return from the United States late on Sunday I was very surprised to see your article on "Britain's exporters" in Friday's newspaper. The references to IMI's export policy reflect a complete misunderstanding of the views I recently expressed to your correspondent.

IMI has a particularly diverse product range and exports to many markets world-wide. Export margins have been under great pressure as a consequence of the strength of sterling. It is certainly true that increased selectivity has been required in determining which products we can profitably sell in which overseas markets. In isolated cases we have withdrawn certain products from individual markets. Despite this IMI continues to grow in terms of total exports from the UK and these sales represent an increasing proportion of our total turnover.

Far from considering withdrawal from the Far East or Latin America we look to these regions, among others, as a source of continuing growth.

(Dr.) T. A. J. Lamb.
P.O. Box 216,
Birmingham.

Today's Events

GENERAL

Electricity supply manual workers start pay talks.

Confederation of British Industry publishes the "Will to Win" policy document.

Federation of London Clearing Bank Employers meets Banking Insurance and Finance Union and Clearing Bank Union for pay talks.

Mr. Jan Woloszyn leads delegation from Polish State Bank (Bank Handlowy) in meeting with international bankers to discuss debt re-scheduling, London.

Sir Jeremy Morse, Lloyds Bank chairman, Mr. Peter Prior, Bulmer Group chairman, and Lord Glenamara, Cable and Wireless chairman, are among speakers at Institution of Industrial Managers golden jubilee conference, Brighton.

Institution of Mechanical Engineers conference on transporting freight by rail, London.

Variety Club of Great Britain tribute lunch to Frankie Howerd, Savoy Hotel, WC2.

The Queen attends reception given by the Chief Constables' Club, Guildhall.

PARLIAMENTARY BUSINESS

House of Commons: Debate on an Opposition motion on education. The question will be put on all outstanding votes and supplementary estimates.

House of Lords: European Assembly Elections Bill, committee stage. European Communities (Medical, Dental and Nursing Professions) (Linguistic Knowledge) Order 1981. Town and Country Planning (Minerals) Bill, report stage.

Select Committees: Agriculture, on animal welfare in poultry, pig and veal calf production. Witnesses: British Poultry Federation. Room 16, 11 am. Foreign Affairs, Overseas Development Sub-Committee, on the Brandt Report; emergency programme. Witnesses: Foreign and Commonwealth Office, Overseas Development Administration. Room 16, 4.15 pm.

OFFICIAL STATISTICS

Provisional figures of vehicle production for February. UK balance of payments for fourth quarter.

COMPANY MEETINGS

Bluemel Brothers, Wolston, Coventry, 11.30. Cambridge Water, 41, Rustat Road, Cambridge, 4.30. Warner Estate, Howard Hotel, Temple Place, WC, 12.15.

UK COMPANY NEWS

£27m underwriting loss for GA but profits rise

STRONG INVESTMENT income growth last year was instrumental in the pre-tax profits of General Accident Fire and Life Assurance Corporation moving ahead substantially, despite a worsening in the underwriting position.

Underwriting losses deteriorated by nearly 50 per cent, from £18.2m to £27m, with a fourth-quarter loss of £5.9m, but with a 14 per cent advance in investment income, pre-tax profits improved by nearly 7 per cent to £92.3m (£86.5m), and the profits available for ordinary shareholders by nearly 12 per cent, from £58.5m to £65.3m.

A final dividend of 7.25p makes 13.5p for the year, compared with 12p previously. The dividend is covered three times. The company also paid £1.4m in 1980 under the UK employee profit-sharing scheme.

Premium income worldwide on general insurance business improved by 7 per cent in sterling terms from £815.2m to £876m. The underlying growth after fluctuations was 12 per cent. Similarly, the underlying growth in investment income reflecting the over 20 per cent reflecting the strong cash flow position of the group. The continued strength of sterling cut pre-tax profits by £4m. The solvency margin at the end of the year was 59 per cent against 52 per cent the previous year.

The strongest growth during 1980 occurred in the UK where premiums rose 16 per cent to £423.9m (£364.7m). The underwriting loss was reduced from £10.3m to £2.4m following a strong recovery in the motor account.

GA is the largest motor insurer in the UK with a portfolio of over 1m motorists. The loss on the motor account was halved last year to £3.2m, with profits in all but the first quarter of the year. The company made two substantial rate increases in 1980, in February and August. But it has not made any increase so far this year and none is contemplated at present.

There was a loss in the householders' account — despite the improvement in the final quarter —but the level of under £3m was much lower than in 1979. There was also a loss on the commercial fire account, but in the second half this account improved in line with the general trend.

Premium income in the U.S. rose by 7 per cent, from U.S.$586m to $625m, though it actually fell in sterling terms. A marginal underwriting profit in the final quarter held the overall deficit to £4.5m for the year against a £1.1m profit in 1979.

Experience in the auto and liability lines deteriorated and both accounts recorded losses but property classes were marginally profitable overall. The operating ratio was 100.31 per cent in the fourth quarter and 101.05 for the year, against 98.81 in 1979.

The underwriting losses for the rest of the world also worsened considerably — from £9m to £16.9m. Conditions were significantly poorer in the fourth quarter for Canada and Australia and sizeable losses of £3.2m and £5.5m respectively were recorded for the year. All European territories were again unprofitable though France showed a marginal improvement.

Contributions from the group's several life operations edged ahead from £2.9m to £3m and new life business last year improved substantially with new annual premiums rising over 20 per cent to £19.3m (£16m) and single premiums by over 6 per cent, from £13.6m to £14.5m.

See Lex

HIGHLIGHTS

Lex looks at the figures from Consolidated Gold Fields which reveal a 16 per cent pre-tax rise to £75.25m, solely because of doubled earnings from gold operations. In contrast to the recent figures reported by Royal and Commercial Union, the profits from General Accident are up, but the company makes a warning over underwriting conditions outside the UK. Lex also looks at the money markets in the light of the Bank of England's expected holdover on oil taxation. On the issue news front Falmouth Petroleum is the latest venture to be offered from Canada. Meantime Bardsey has sold its stake in F. Pratt to the 600 Group. Elsewhere on the company front results were announced from Ransome Sims and Jefferies, Matthew Clarke and Fitzwilton.

Ewart New Northern sees rise in profit

PRE-TAX PROFIT for the half year to November 31, 1980, of Ewart New Northern, commercial and industrial property developer, increased from £12,046 to £15,960.

Tax for the half year was down from £3,803 to £1,547 and earnings per share emerged at 2.22p (1.67p). An interim dividend of 1p per £1 share has already been declared and paid.

The chairman states that although the results for the second six months will be affected by increased maintenance costs and the reduced rate of Government security grants, it is anticipated that improved profits for the year will make it possible to recommend a final dividend of not less than 2.5p, making a total for the year of 3.5p (2.5p).

Pre-tax profits for the whole of last year were £18,891.

If trading conditions continue to be satisfactory it would be the board's intention to pay an interim dividend for the year commencing May 1, 1981, he says.

Mount Charlotte hit by interest

STRUCK after interest, well up at £675,000 against £289,000, taxable profits of Mount Charlotte Investments, hotel group with catering interests, finished 1980 down from £1.05m to £660,000. The dividend, however, is maintained at 0.7p net per 10p share.

Turnover for the full period improved to £11.61m against £9.98m, and after tax of £210,000 (£135,000) earnings per share are shown as 2.01p (3.19p) on a nil distribution basis and 1.36p (2.78p) net.

Trading profits were unchanged at £1.33m—hotel side increased by 19.1 per cent—but interest charges rose as a result of £2.8m being spent on upgrading the hotels despite the recession and high interest charges involved, the directors explain.

Minorities' interest was unchanged at £5,000 and there was an extraordinary credit of £489,000 (nil) for the year, comprising profits from disposals of a small hotel and various peripheral activities.

Attributable balance came through ahead from £905,000 to £934,000 and the amount retained was slightly up at £706,000 compared with £677,000.

● comment

The impact of Mount Charlotte's £2.8m hotel renovation programme on profit last year was already apparent at the interim stage. In the full year, the interest charge more than doubled, turning a respectable flat profit at the trading level into a 37 per cent pre-tax decline. The two luxury hotels, the Grand in Bristol and the Park in Cardiff, had record results but the family, budget and commercial hotels lost volume. The current climate is not encouraging but the outlook is a little better as improvement spending tapers off to less than £1m this year and tariffs on improved accommodation go up. The shares eased ½p yesterday to 23p where the yield on the maintained dividend is only 4.4 per cent. The fully-taxed p/e is more than 20 but the group is unlikely to pay much tax for the foreseeable future and should establish a new earnings base in the next year or so on its enhanced assets.

Jentique has first half loss

HIGHER depreciation and plant leasing charges and interest rates have contributed to Jentique (Holdings), the furniture and clock manufacturer, reporting a pre-tax loss of £218,450 in the half-year to December 31, 1980. This compares with a profit of £309,030 in the corresponding six months of the previous year.

The depreciation and plant leasing charges rose from £172,260 to £215,870, and interest charges were £133,450 against £81,960. Turnover was down from £5.73m to £5.34m.

The company has reduced stock levels to a minimum, producing a positive cash flow, thus enabling an interim dividend of 0.6p to be paid. Last year's total was 1.03p from pre-tax profits of £235,000 (£573,000).

No tax was payable in the first half (£89,200) and there was an extraordinary debit this time of £29,110.

It is estimated that a sum of £123,920 would be transferred from deferred tax, thus leaving a group loss after tax of £94,530 and reduction in retained profit of £171,160 in respect of the half-year.

Nolton in the red at midyear

Despite a pre-tax loss of £10,560, compared with a profit of £109,766, for the half year to October 31, 1980, Nolton, the industrial, property and services group, is maintaining its interim dividend at 0.6p net. Turnover impoved by almost 24 per cent, from £2.2m to £2.73m.

For the whole of the previous financial year the company reported a pre-tax surplus of £310,000 and paid a final dividend of 2.7p.

Mr. Peter Dixon, the chairman, blames the turn-round in profits on a slow-down in house building sales, higher interest rates and the industrial division being affected by the general recession.

The services division continued to do well with office appointments again producing a record first half, although the second half has begun more slowly. Both Nolton Insurance Brokers and Parkville Finance continued to trade successfully.

Prospects for the second six months are brighter in the industrial division with activity having picked up considerably.

For the group as a whole, Mr. Dixon says general conditions make a forecast for the full year extremely hazardous and hopes of a year much the same at last year cannot now be achieved.

After tax for the six months of £22,555 (£23,726) there was a loss per 25p share of 1.52p (2.02p earnings).

There was a net balance of £10,285 (£86,050) after an extraordinary credit of £43,400 (nil) which is an estimate of the profit after tax on the disposal of Noltan Money Brokers.

Transfer to capital reserve amounted to £27,429 (£18,726). There was a debit in the revenue reserve of £17,144 (£67,324 credit).

SMITH WHITWORTH

Total claims submitted by Vickers in the litigation against Smith Whitworth were in excess of £400,000. The claims have been settled by the payment of £40,000 relating solely to a shortfall in the net asset position as warranted at completion.

Assets frozen at Norton Warburg Inv.

NORTON WARBURG Investment Management, which has offices in California, London and Guernsey, consented in the High Court in London yesterday to a temporary injunction freezing all its UK assets.

The company, said to have a deficiency of £2.5m on its London clients' accounts, is being sued by several groups of the 360 investors.

Some seek the appointment of a receiver, and others want their share portfolios returned.

Mr. Justice Dillon adjourned the applications to a date to be fixed.

Two firms of City chartered accountants are already looking into the company's affairs and a shareholders and creditors meeting has been called for March 10.

Auditors acting for the local directors of Norton Warburg Guernsey and Norton Warburg Investment Management Guernsey have verified the existence and ownership of all funds, stocks and shares under the management of the Guernsey companies.

Messrs. Lince, Salisbury, Meader and Co. were asked to conduct a full investigation into the affairs of the companies as a consequence of problems arising at the London parent company.

Following the investigation, local directors have issued a statement declaring themselves to be satisfied that no client of the Guernsey management company will be adversely affected by the problems arising in London.

SPAIN

March 4	Price %	+ or −
Banco Bilbao	282	−6
Banco Central	320	−6
Banco Exterior	262	−8
Banco Hispano	266	−6
Banco Ind. Cat.	126	
Banco Madrid	141	
Banco Santander	329	−5
Banco Urquijo	188	−1
Banco Vizcaya	309	−6
Banco Zaragoza	252	
Dragados	132	+3
Espanola Zinc	74	+2
Fecsa	58.2	−0.5
Gal. Preciados	33.5	
Hidrola	65.7	−0.5
Iberduero	57.5	−0.7
Petroleos	89.7	+0.7
Petroliber	70	
Sogefisa	93	−2
Telefonica	61.7	−0.3
Union Elect.	64.7	−0.8

Ransomes Sims falls but dividend held

A SECOND-HALF drop from £1.65m to £659,000 at Ransomes Sims and Jefferies has left this machinery manufacturer with taxable profits down at £2.32m for the 53 weeks ended January 3, 1981, against £2.86m. But the dividend has been maintained at 11.14p net with an unchanged final of 8p per share.

After a tax credit of £447,000 (£509,000 charge) net profits were £2.76m (£2.35m) giving earnings of 49.6p (42.2p) per share.

Mr. Geoffrey Bone, chairman, says the current year is likely to be difficult, and although the group's products represent essential items of equipment for which demand must in due course revert to a higher level, "there are no clear indications at present as to when this will be."

He adds that as the group is in a seasonal business it makes it even more difficult to make a realistic forecast for 1981.

With steps taken, however, directors hope to achieve results comparable with last year.

Sales for the 53 weeks expanded by £6.8m to £48.96m and trading profits were just ahead from £4.71m to £5.07m. Interest charges, however, increased to £2.75m compared with £1.9m.

Mr. Bone says that firm action has been necessary to adjust the group's operations to suit the lower level of sales and profits of the second half, which has involved "big reductions in production and manpower."

Despite this, the inflow of orders and the availability of stocks of some products is such that short-time working is expected to continue for some months, unless there is a substantial upturn in sales trends. He says this is difficult to foresee in the current economic climate.

Action taken in recent months in reducing overheads and concentrating manufacturing activity in the facilities at Ipswich, ensures the group is on a firm base from which to react to changes in market conditions in either direction, the chairman states.

The retrenchment has involved a reduction of 84 employees during the past 12 months — over 30 per cent. Factories have been closed at Doncaster, March and Ely and there have been large redundancies at the group's main factory in Ipswich.

Against a difficult trading background in the second half, the grass machinery sector exceeded sales by 30 per cent to £25.67m. Mr. Bone says a feature of 1981 will be the continuing development of trade in all markets, particularly North America.

Because of strong sterling, the group has had to adopt an aggressive pricing policy and, coupled with the quality of the distribution outlets and products, this will help to ensure the group gets a major share of the available business.

Farm machinery sales showed only a small increase and competition for agricultural sprayers in a depressed market was severe —in order to remain competitive it became necessary to concentrate manufacture of these products at Ipswich.

The chairman adds that the combination of Ransomes Cropguard and Dorman sprayers makes the group one of the leading companies in the British market and with increased research and development in this area "we anticipate making further progress in the years ahead."

Attributable balance for the period came through at £1.84m against £2.28m, after minorities of £3,000 (£4,000) and an extraordinary debit of £922,000 (£65,000) comprising all the expenditure which has arisen, or is expected to arise, in the closure and reorganisation, and redundancies involved.

● comment

In certain respects, the 16p rise in the Ransomes Sims and Jefferies shares price to 156p yesterday was surprising. The outlook for the current year is dull and the high level of income gearing has translated an encouraging rise in annual trading profits into a near 20 per cent fall at the pre-tax level. Even that, however, has somewhat ahead of outside estimates: moreover the dividend has been held and, possibly of greatest importance, the group seems to have been able to switch out of businesses in long-term decline and concentrate its resources around its Ipswich base, reducing unit costs and freeing excess assets. The message, for the moment, is that the underlying trading conditions are still very depressed but the vital export drive has not been thwarted and the group is now saying that its weaker businesses can recover quite quickly given a return to anywhere near normal trading conditions. Yielding 10.8 per cent and standing on an historic fully taxed p/e of 6.9 before extraordinary costs, the share price is probably about right allowing for a heavy debt burden.

Fitzwilton maintains interim despite decline in earnings

AGAINST the current economic background, the mid-term profit fall at Fitzwilton, Dublin-based investment company, is considered by Mr. A. J. F. O'Reilly, chairman, as a satisfactory position, and the interim dividend is held at 2p net. Last year's total payment was 5.5p from profits of IR£1.64m.

For the six months to December 31, 1980 pre-tax profits show a decline from £1.06m to £0.68m. Compared with the corresponding period sales and market share of the group's textile importing and distribution subsidiary improved. However, as a result of pressure on trading margins, profits were slightly lower.

The share of associates, down from £480,000 to £205,000, reflected start-up losses at Independent Newspapers (in which Fitzwilton has a 23 per cent stake) in France, Germany and North America. These new ventures are expected to become profitable in the current year.

Results for the comparative half year have been re-stated to exclude the results of Goulding Chemicals. As known, this investment, which stood in the book at £1.42m, has been written-off against capital reserves.

The value of investments in Independent Newspapers and other fixed assets have been written-up to current market values and professional valuation, respectively.

As announced yesterday, the company is acquiring a 25 per cent interest in Atlantic Resources a new offshore oil concern which Mr. O'Reilly also heads. Fitzwilton holders will be asked to approve the purchase at a meeting in Dublin on March 20.

First half profits were struck after depreciation of £27,000 (£26,000) and interest of £37,000 (£39,000). Tax for the period took £25,000 (£240,000), minority profits totalled £50,000 (£40,000) and the attributable balance turned in at £604,000 (£777,000).

The balance sheet at December 31, 1980 shows shareholders' funds little changed at £18.24m against £18.33m.

● comment

Fitzwilton's net cash position and investment income have deflected the worst effects of the recession. The 35 per cent decline in interim pre-tax profits reflects a decline of about a third in earnings rom its textile subsidiary and depressed profits from Independent Newspapers, in which it has a 23 per cent stake. The second-half should bring annual earnings into the £1.2m region as against last year's £1.6m, but much will depend on the strength of the recovery in Independent Newspapers' earnings. Longer term the company pins its growth hopes on diversification into energy through a 25 per cent stake in Atlantic Resources expanding coal interests and aircraft leasing. At 47p, the shares yield 13.3 per cent on the basis of an unchanged final dividend and the prospective p/e, fully-taxed, is 22.6.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Consld. Gold Fields int.	8.5	—	7.3	—	22.5
Fitzwilton int.	2‡	March 20	2	—	5.5
General Accident	7.25	July 1	6.5	13.5	12
Jentique int.	0.6	April 24	1.03	—	1.03
Mathew Clark int.	2	April 13	2	—	7.5
Mount Charlotte	0.7	July 1	0.7	0.7	0.7
Nolton int.	0.6	May 7	0.6	—	3.3
Ransomes Sims	8	May 19	8	11.14	11.14

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Irish currency.

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.280	—	—	4	9.50	—	—	F.280
ABN C	F.300	15	2.50	2	4	—	—	"
ABN C	F.320	—	—	11	2.20	—	—	"
AKZO C	F.15	2	2.40	—	—	—	—	F.17.60
AKZO C	F.17.50	177	0.90	15	2	—	—	"
AKZO C	F.20	10	0.30	20	0.80	40	1.70	"
AKZO C	F.22.50	25	0.10	—	—	—	—	"
AKZO P	F.20	—	—	10	3	—	—	"
AMRO C	F.60	—	—	3	1.20	—	—	F.55.10
KODA C	$70	10	9¼	—	—	—	—	$77⅞
HEIN C	F.50	20	7.50 B	—	—	—	—	F.57.60
HEIN C	F.55	18	4 B	—	—	—	—	"
HEIN C	F.60	39	2	—	—	4	4	"
HEIN P	F.55	7	1.90	—	—	—	—	"
HEIN P	F.60	6	3.40	—	—	—	—	"
HOOG C	F.15	—	—	2	3.20	—	—	F.17.90
IBM C	$65	—	—	—	—	3	5¼	$62[illegible]
IBM P	$65	—	—	10	4¼	—	—	"
KLM C	F.60	10	15.20 B	—	—	—	—	F.74.70
KLM C	F.65	3	10.80	3	11	—	—	"
KLM C	F.70	34	6.90	10	7.80	3	10 B	"
KLM C	F.80	207	2.40	42	4.70	—	—	"
KLM P	F.70	21	2	4	3.70	—	—	"
KLM P	F.80	10	8	—	—	—	—	"
NATN C	F.115	—	—	5	11	—	—	F.124.50
NATN C	F.120	4	5	—	—	—	—	"
NATN C	F.125	10	1.90	—	—	—	—	"
NATN P	F.125	—	—	1	4	—	—	"
PETR C	Fr.5000	—	—	—	—	3	200	Fr.4780
PHIL C	F.15	47	3.40	5	3.70	—	—	F.18.30
PHIL C	F.17.50	39	1.20	20	1.80	10	2.20 B	"
PHIL C	F.20	32	0.30	23	0.70	125	1.10	"
PHIL P	F.15	20	0.10	—	—	—	—	"
PHIL P	F.17.50	2	0.50 A	125	1	30	1	"
PHIL P	F.20	30	1.90	12	2.70	—	—	"
OLIE C	F.95	2	9	—	—	—	—	F.102.70
OLIE C	F.100	37	5.40 B	—	—	—	—	"
OLIE C	F.110	107	1.60	17	3.40	—	—	"
OLIE C	F.120	142	0.30	—	—	—	—	"
OLIE P	F.95	—	—	6	2.10	—	—	"
OLIE P	F.100	60	1.90	20	5	—	—	"
UNIL C	F.130	58	6	3	7.20	—	—	F.134.50
UNIL C	F.135	2	2.30	3	3.30	1	4.50	"
UNIL P	F.130	10	1.70	4	4.30	—	—	"
XERO C	$60	—	—	4	3¼	—	—	$55[illegible]
		May		Aug.		Nov.		
BOEI C	$40	—	—	10	1⅞	—	—	$34[illegible]
BOEI P	$35	10	1⅛	—	—	—	—	"
MANN C	DM.130	1	2.40	—	—	—	—	DM 126.50
SLUM C	$110	—	—	1	11	1	14	$108¼

TOTAL VOLUME IN CONTRACTS 1829

A=Asked B=Bid C=Call P=Put

Tate & Lyle explains closure

CLOSURE of the Liverpool cane sugar refinery was the only solution to the acute problem of over-capacity which was undermining the profitability of the Tate and Lyle group, Lord Jellicoe, chairman, told the annual meeting in London yesterday.

Lord Jellicoe told the packed meeting—which included representatives from the Liverpool refinery who voted against re-election of the retiring Board members—that the company had deferred the closure until April 3.

This was to give an opportunity for the unprecedented social pressures in an area with grievously high unemployment to be represented to the Government. But, he added, he could not see the "faintest possibility" of solving the problem of over-capacity other than through the closure of the Liverpool refinery.

Lord Jellicoe said the Liverpool closure was one of the gravest decisions the company had taken. However, it did give the trimmed-down refining business the chance of emerging from a decade of uncertainty.

The savings would open the way for Tate and Lyle Refineries — a business with an annual turnover of nearly £400m — to return to a satisfactory level of profitability.

The whole group would benefit from the resoration to health of its founding business, he said, although Tate and Lyle was now a very different company as a result of changes in management and structure during recent years.

Lord Jellicoe said that after the first five months of the current financial year the group was in reasonably good shape. It was pressing on with a review of the chemicals division.

Shares tumble at Baker Elect.

Shares in Baker Electronics, the electrical engineering company which was floated on the USM market only last August, have been tumbling in recent days. Yesterday they dropped 18p to close at 25p compared with 53p at Friday's close and 103p in first dealings after the 60p issue in August.

Interim figures for the group covering the six months trading to the end of September have not yet appeared but are expected within the next day or so. When Baker came to market it forecast profits of £240,000 for the year compared with £97,000 the previous year.

SHARE STAKES

Pilkington Brothers: Lord Pilkington has disposed of 68,450 shares leaving interest 10,806,886 shares (6.4 per cent).

Cray Electronics: Capital for Industry sold 150,000 shares leaving a holding of 6,810,403 shares. (61.33 per cent).

M. J. H. Nightingale & Co. Limited

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1980-81 High	Low	Company	Price	Change	Gross Div. (p)	Yield %	P/E
75	39	Airsprung	63	—	6.7	10.6	5.7
45	21	Armitage and Rhodes	45	+1	1.4	3.1	18.5
192	92½	Bardon Hill	190	—	9.7	5.1	7.3
98	88	Deborah Services	93xd	+1	5.5	5.9	4.6
126	88	Frank Horsell	106	—	6.4	6.0	3.3
110	40	Frederick Parker	40	—	1.7	27.5	17.4
110	74	George Blair	74	—	3.1	4.2	—
110	59	Jackson Group	107	—	6.9	6.4	4.1
124	103	James Burrough	119	—	7.9	6.6	9.8
334	244	Robert Jenkins	330	—	31.3	9.5	—
55	50	Scruttons "A"	52	—	5.3	10.2	3.8
224	216	Torday	216	—	15.1	7.0	3.7
23	10	Twinlock Ord.	11	—	—	—	—
90	69	Twinlock 15% ULS	72	—	15.0	20.8	—
56	35	Unilock Holdings	44	+2	3.0	6.8	6.8
103	81	Walter Alexander	102	—	5.7	5.6	5.6
263	181	W. S. Yeates	260	—	12.1	4.7	4.2

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Rise forecast at Grand Met

GRAND METROPOLITAN, the hotels, food and brewing group, should achieve "a modest increase" in profits this year, Sir Maxwell Joseph, the chairman, told yesterday's annual meeting.

But profits in the first half appeared somewhat flat, he said. With sterling's strength cutting into export profits, interest rates intolerably high, and reduced profits and dividends from major industrial compaines, "it is difficult to be too optimistic about our own company's immediate future."

In the last financial year to September 30, 1980, profits before tax rose from £136m to £152m., with sales rising from £2.17bn to £2.58bn.

Despite the first half flatness, he said he was confident that Grand Met would "continue to perform at least as well as, and hopefully rather better than our competitors."

If this summer's weather is much better than last year's, both brewing and soft drinks activities should improve, he said. The group should also benefit from the expected upturn in tourist traffic.

Next week's UK Budget would clearly affect Grand Met's wine and spirits activities, as would the movement of exchange rates.

Excluding Liggett, the U.S. concern acquired last year, first quarter sales were up 12.5 per cent. This improvement, along with rigid expenditure controls, should ensure a modest rise in total profits, Sir Maxwell said.

New offer from PFPUT

The Pension Fund Property Unit Trust is making a new offer of units at a net subscription price of £2,105 per unit. Based on the last four quarterly distributions, the net yield is estimated at 5.6 per cent. It has an investment portfolio currently valued at some £256m and 126 properties which produce a net annual income of £13.4m.

Mr. Cecil Baker, the chairman, says it is expected that the values of prime properties will remain firm . . . and that the total investment return over the longer term will continue to out-perform other investment sectors.

LONDON TRADED OPTIONS

(Mar. 4. Total contracts 848)

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	360	58	5	—	—	—	—	416p
BP	390	39	10	56	—	70	—	"
BP	420	19	3	40	7	52	—	"
BP	460	8	4	24	—	—	—	"
BP	500	1½	7	14	—	—	—	"
Com. Union	130	31	10	34	—	39	—	158p
Com. Union	140	21	16	26	—	31	—	"
Com. Union	160	7	67	11	—	15	—	"
Com. Union	180	1	—	4½	75	—	—	"
Cons. Gold	420	22	30	45	—	55	—	426p
Cons. Gold	460	12	—	25	2	35	—	"
Cons. Gold	500	—	—	12	6	22	1	"
Cons. Gold	550	—	—	7	—	9	25	"
Cons. Gold	588	1½	—	4	10	—	—	"
Courtaulds	50	15	15	15½	10	18	—	63p
Courtaulds	60	5½	83	8½	10	10½	11	"
Courtaulds	70	2	—	4	17	5½	—	"
GEC	600	56	15	87	—	105	—	646p
GEC	650	25	14	52	3	73	—	"
Grand Met.	140	46	5	51	—	54	—	183p
Grand Met.	160	27	23	35	—	37	—	"
Grand Met.	180	10	20	17	5	20	—	"
Grand Met.	200	4	—	8	10	11	—	"
ICI	240	22	29	36	10	44	—	250p
ICI	260	10	30	25	5	34	—	"
ICI	280	6	2	15	10	26	4	"
ICI	300	2½	51	9	2	17	12	"
Land Sec.	420	8	1	20	5	31	1	398p
Marks & Sp.	120	8	—	13½	1	18½	—	124p
Marks & Sp.	130	3	—	8	2	13	1	"
Shell	420	22	1	34	4	46	—	422p
Shell	500	2	13	8	9	—	—	"
Shell	550	¼	15	3	—	—	—	"
Totals			449		203		55	

Option	Ex'rcise price	May Closing offer	May Vol.	August Closing offer	August Vol.	November Closing offer	November Vol.	Equity close
Barclays B'k	420	20	10	32	1	42	—	408p
Imperial Gp.	90	1	10	2	—	—	—	75p
Lasmo	750	16	22	40	—	—	—	64p
Lasmo	800	8	5	25	—	—	—	"
Lonrho	100	6½	62	9	2	12	3	95p
Lonrho	110	3	2	6	3	8½	—	"
Lonrho	120	1	4	3	—	—	—	"
Racal Elec.	350	28	—	41	10	55	1	361p
Racal Elec.	390	9	3	21	—	40	—	"
RTZ	390	45	—	60	—	83	1	420p
RTZ	420	—	—	43	1	60	—	"
RTZ	454	15	1	—	—	—	—	"
Totals			119		17		5	

ISSUE NEWS

Sutton Water £3m pref offer

THE SUTTON District Water Company is offering £3m of redeemable preference stock by tender.

The stock carries a coupon of 8 per cent and a minimum price of £100, producing a gross redemption yield of 11.42 per cent of 16.67 per cent for those able to take advantage of franked investment income. It is redeemable at par on May 30, 1986.

The stock is denominated in amounts of £100 and applications, accompanied by a £10 deposit per £100 nominal, must be received before 11 am on March 11.

The first dividend, amounting to £4.162 per £100 stock, will be payable on October 1, 1981, and thereafter dividends will be payable half-yearly on April 1 and October 1 of each year. The final dividend, covering the period from April 1 to May 30, 1986, will be payable on May 30, 1986.

Brokers to the issue are Seymour Pierce and Co.

● comment

Tenders for this one are due on the morning after the Budget, so a final decision on how much to offer should be postponed until then if possible. A one-point cut in MLR is unlikely to have much effect but two points could make a difference. Last month's two 8 per cent water issues are trading at 1¾ to 2 per cent premiums in £10 paid form so tenders for Sutton will probably have to start at £102, and more if MLR is cut by two per cent.

TREASURY STOCK

All tenders accepted from the public for the 3 per cent Treasury Stock, 1986 have been allotted in full at the minimum price of £69.50 per cent, the Bank of England announced.

Yearlings total £15m

Yearling bonds totalling £15.1m at 12¾ per cent redeemable on March 10, 1982 have been issued this week by the following local authorities:

Borough of Middlesbrough (£0.5m); City of Salford (£0.75m); Warrington BC (£0.75m); Wokingham BC (£0.75m); Worthing BC (£0.25m); Gateshead BC (£0.5m); Borough of High Peak (£0.5m); London Borough of Islington (£1.5m); Macclesfield DC (£1.1m); Rushcliffe BC (£0.25m); City of Glasgow DC (£2m); Darlington BC (£0.5m); Redditch DC (£0.5m); West Yorkshire Metropolitan CC (£0.75m); Colchester BC (£0.75m); Borough of Trafford (£0.5m); Metropolitan Borough of Wirral (£1.25m); Erewash BC (£0.5m); Borough of Sunderland (£1m); West Yorkshire Passenger Transport Executive (£0.5m).

A total of £1.75m has also been raised by way of 12¾ per cent bonds due on March 3, 1983 by the following authorities:

Oxford CC (£1m); Strathkelvin DC (£0.25m); South Ribble BC (£0.5m).

U.S. oil fund seeks finance

UP TO 3m common shares of Falmouth Petroleum, a new U.S. oil drilling fund, are being offered by Laurence Prust and Vivian Gray at U.S.$2 a share.

Falmouth, a Canadian company, is being launched on the Vancouver Stock Exchange by RMS Resource Management, a Vancouver-based consulting company, and by Shelter Hydrocarbons, a three-year-old Canadian oil exploration company. Shelter is to manage Falmouth's exploration activities in the U.S. under a joint venture agreement.

Under the agreement, Falmouth has the right to participate in all prospects acquired by Shelter in the U.S. usually in proportion to funds available. Shelter will receive a 5 per cent management fee and will be entitled to 20 per cent of production revenues. It will contribute 5 per cent of all pre-production expenses and 20 per cent of production expenses.

RMS and Shelter are buying 3 per cent of the equity in Falmouth at 20 cents a share and have options to buy a further 10 per cent at $2 for two years and $2.50 thereafter.

Shelter was formed three years ago by a large Canadian property company and has invested C$1.2m in promoting and operating several oil and gas exploration and development joint ventures in the U.S. and Canada. It initiates activity on about half of the prospects in which it participates.

Shares of Shelter were listed on the Toronto Stock Exchange last month after a public issue of 23 per cent of the shares in January at C$5, which values the company at C$12.9m. The value of Shelter's net reserves at November 15, 1980, is shown as C$19.3m, undiscounted.

Dealings are expected to start in Vancouver and in London under Stock Exchange rule 163 (1) (e) within a week of the offer closing on March 23.

● comment

Anyone coming to London these days with a Canadian-backed oil drilling fund must either be totally insensitive or have a fair deal to offer. Falmouth at least shows that it is possible to find promoters willing to do a deal for far less of a cut than that taken on some of the previous issues. The promoters of Shackleton, for example, got 10 per cent of the equity at a deep, pre-issue discount and have a 5 per cent over-riding royalty on any production while RMS and Shelter is taking only 3 per cent of the equity of Falmouth and no royalty. A very young company, Shelter nevertheless has a strong record and respectable backing. The group's practice of seeking out its own plays rather than joining others raises the risk but also the potential payout.

Brasway builds up to break even this year

Mr. R. A. Swaby, chairman of scrap metal processor and tube manufacturer Brasway, which made a loss of £195,836 at midway, has reaffirmed his forecast that the company will break-even for the current year. For 1979-1980 a pre-tax profits of £432,000 was reported.

In a letter to shareholders, Mr. Swaby states that since December 22 last year the group's trading position has improved. The losses suffered by the ferrous division were stemmed in October last and the November figures showed an encouraging trend.

December was a very short working month but taken together with January, the results were "most gratifying."

The tube division continued to do well, all things considered, and its profit contribution for the nine months to January 31 of £73,934 helped to reduce the overall group loss to £114,406. However, to this the dividend payment of £14,068 must be added.

51 companies wound up

Compulsory winding up orders against 51 companies have been made by Mr. Justice Nourse in the High Court. They were:

W. Haynes and Sons (New Covent Garden), Terravia Trading Services, Terravia (Aircraft), Quoin Properties, Delph Developments, Stylelord (London), "In" Crowd, Fordyce (Commercial Vehicles).

De Beauvoir Litho, Mr. Maurice of London, Bashford Cleaning Company, DIS Domestic Improvement Services, Bardecon, Rectory Road (Langstone) Self Build, Strandmoss, Tearmann Plant Sales, Trimrags, Barbara Plays.

Corringport, Greavehall, Kipps Leisurewear, William Currie Lawson and Co., Ottavus, C. P. Technical Services, Triumvirate Investments, Alpenfinch, P.A.T. Freight Services, Crescent Plating (B'ham), Elite Mail Order Company.

Downville Construction, Alanya, J.G.K. Music, J. E. Bennett and Son, Hamcro (Contractors), Plaza Transfers, Garsmain Supplies, West Ealing Car Mart, Blademark, Parkfield Foods, Radyr Instrument Company, Nielson Fashions.

Gerry Hill (Motor Cycles), Economic Employment, Philshaw Transport, Heavekarn, A. A. Funnell and Son, Leavecroft, Host Engineering Services, Stimp International, Carnies of Chelsea, and Wrenoaka.

A compulsory winding up order made on February 2 against Invale Properties has been rescinded and the petition dismissed by consent.

Inchcape Singapore improves

PRE-TAX PROFITS of Inchcape Berhad, Singapore, rose from S$69.09m to $110.6m for the year to end-December, 1980, on sales ahead almost $300m at $1.28bn.

Tax showed a rise from $23.23m to $49.9m and after a minority credit of $1.25m ($1.13m debit) and extraordinary credits of $896,000 ($348,000 debits) attributable profit came through at $62.86m ($44.38m).

The results of the group, which is 63.5 per cent-owned by Inchcape and Company, the London-based international merchant, were struck after provision for depreciation of $11.5m ($9.33m).

The improved results reflect, in the main, a buoyant car market and greater penetration of this market by the Inchcape Berhad motor companies. Other activites also benefited from buoyant conditons although there was a severe, but expected, downturn in the timber market.

In view of the recessionary trends which are now expected to affect the territories in which Inchcape Berhad operates, 1981 will be a difficult year. However, subject to the timber market showing some revival before the end of the year and providing there is no major upward movement of the yen, the directors believe that the results for 1981 will continue to be satisfactory.

Plessey closes its plant in Malta

The Maltese subsidiary of Plessey Company, the telecommunications components maker, is to be closed down. The company said in Valletta that it was closing down the Malta plant because silicon chips have, in many applications, replaced core memories for computers, and because costs of making the memories on the island have risen to about three times those in the Far East.

The subsidiary, Microsystems (Malta), was set up in 1969, and at one time employed 630 workers. The workforce has now dropped to 148.

Bakers Stores confident

Mr. Barry Baker, the chairman of Bakers Household Stores (Leeds), told shareholders at the AGM that he was confident profits for the first half of the current year would show a satisfactory increase.

He said the trend revealed in his annual statement that sales for the first three months of the current year had been agreeably in excess of the same period last year, had continued since Christmas—adding that the increase had been achieved from the same number of units.

The chairman said negotiations were taking place for additional units and it was hoped to open three more branches in the next six months. The company has ample resources and was continually looking for opportunities for expansion, he said.

Flat wines and spirits market hits Matt. Clark

A GENERAL decline in the cognac market — it has fallen some 22 per cent since May compared with the same period in 1979—a fall of 6 per cent in British wine and an 8 per cent drop in champagne has had the inevitable effect on the sales of Matthew Clark and Sons (Holdings), wine and spirit shipper and merchant.

After deducting Duty of £24.5m (£23.53m) turnover of the company for the eight months to December 31, 1980 increased from £39.24m to £40.92m, but pre-tax profits were down from £2.17m to £1.73m.

The chairman says pressure on margins has been exacerbated, as the board warned it would be, by aggressive marketing tactics on the company's part which have led to an increased share of its respective sectors for Martell Cognac, Stone's Ginger Wine, de Kuyper liqueurs and Janneau Armagnac.

He says it is impossible to be optimistic about profits for the full year. The interim dividend is unchanged at 2p, and the board aims to maintain the final dividend at 5.5p. But he points out that this decision will ultimately depend on the general level of trade during the summer.

Crokerton Haulage has not escaped the recession, and this wholly-owned subsidiary returned a loss of £95,000, included in which is the cost of starting up a new bonded warehouse. J. E. Mather has maintained sales volumes and improved its margins — the sum attributable to minorities was £682,000 against £592,000.

● comment

A 20 per cent decline in pre-tax profits from Matthew Clark is in line with expectations for a market now inured to poor results from the drinks sector. More surprising was the company's stated intention, despite no sign of any recovery in demand, to maintain its final dividend. Full-year earnings will probably be in the region of £2m with a hefty contribution from J. E. Mather, in which the company has a 52 per cent shareholding, so it looks unlikely that the final 5.5p payout could be covered by attributable earnings. Group profits continue to be dragged down by the newly acquired Crokerton Haulage, which made an interim £65,000 loss and is unlikely to move into the black until the wine and spirits trade picks up. The shares shed 2p on the results to close at 136p.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals.

TODAY

Interims: Bogod-Pelepah, Campari International, Mitchell Cotts, Staffordshire Potteries, Trans-Oceanic Trust.

Finals: Barclays Bank, J. Bibby, Comben, Derek Crouch, General Mining Union Corporation, Thomas Jourdan, Kode International, Law Debenture, Ross Brothers, W. N. Sharpe, Tavener Rutledge.

FUTURE DATES

Interims—

Bejam	Mar. 18
London and Strathclyde Trust	Mar. 10
Prestwich Parker	Mar. 13
Stocklake	Mar. 12

Finals—

Collins (William)	Mar. 11
House of Fraser	Apr. 23
Mackay (Hugh)	Mar. 18
Molins	Apr. 1
Robinson (Thomas)	Mar. 11
United Biscuits	Mar. 12

WILKINSON MATCH

Wilkinson Match has changed its name to Wilkinson Sword Group.

BIDS AND DEALS

Lonrho clears one obstacle

BY JOHN MOORE

OVER 100 shareholders of Lonrho gave their support to the board *acquiring House of Fraser* in a future bid.

Lonrho needed shareholders' approval before it could advance with any bid for House of Fraser, the Harrods' stores group, and although the bid has been referred to the Monopolies and Mergers Commission, Lonrho decided to press ahead with the formality.

Any eventual bid cannot be launched until the deal has received clearance by the Commission.

Lonrho's chairman, Lord Duncan-Sandys, told shareholders that *for some time Lonrho had* held nearly 30 per cent of the ordinary shares of House of Fraser, "in which we invested about £75m.

"As we have explained to you, we have disagreed with certain important policy decisions taken by the House of Fraser board *which, in our opinion,* were not in the best interests of that company, of which we are the largest shareholder.

"We believe that only by securing control of the direction of policy of House of Fraser, through the acquisition of further shares, can we ensure that the full profit potential of House of Fraser shares be achieved."

He added: "If the outcome of the Monopolies' inquiry is favourable, it will be open to us, if we so wish, to make a further offer on the same or appropriate terms. Therefore, while reserving our position, we would be pleased if you would give us the necessary discretion, by passing this resolution.

A representative of Gulf Fisheries, Lonrho's largest shareholder, said that Gulf Fisheries supported the board.

One shareholder, who said the bid was "disgraceful" asked for an assurance that the resolution meant that the offer could not be increased beyond 150p per share.

Lord Duncan-Sandys said "on the legal point I understand that is totally incorrect."

MDW Holdings in bid talks

MDW Holdings, the Glasgow-based construction and property company, is having talks which could lead to a full bid.

After a sharp rise in its share price recently, the company said it had received an approach which may lead to an offer.

Mr. Harold Whitson, MDW's chairman, said yesterday the discussions were still "in very embryonic form."

At yesterday's share price of 90p, a rise of 17p on the day, the company is valued in the market at £6m. In 1979, pre-tax profits rose by over 17 per cent to £1.26m.

DEBENHAMS PAYS £0.78M FOR DRAFFENS

Consideration for the recently-announced purchase by Debenhams of Draffens of Dundee from James Grant (East) was £780,000, including amounts due to the parent company. Draffens' capital and reserves total £610,000 and it is estimated that in the year to January 31, 1981, trading profit before tax *will be around £30,000. It is* the principle department store in Dundee.

Management to bid for Hornby

BY REG VAUGHAN

THE RECEIVER of Hornby Hobbies, the last part of the former Dunbee-Combex-Marx toy empire, is today expected to receive a bid for the company from its present management.

Hornby, which employs 1,700 people at a factory in Margate, Kent, has been in the hands of the receiver since DCM collapsed a year ago with debts of over £18m.

Hornby, which is thought to have traded at a profit of about £500,000 in 1980, manufactures the famous Hornby trains and Scalextric model racing car circuits.

Hornby management, comprising Mr. Karl Mueller, managing director, Mr. Paul Edey and Mr. Keith Dunk, is being backed in its bid by a number of leading institutions and also by clients of Guide House, a financial advisory group and issuing house set up last year by Mr. David Michaels, formerly of N. M. Rothschild, and Mr. Stuart Thorn.

The consortium-backed management bid was put together by Guide House in conjunction with stockbrokers Earnshaw Hayes, sub-underwriters to the bid, who were called in by the Hornby management last December.

The receiver, Mr. Paul Shewell of Coopers and Lybrand, has requested all bids to be in his hands today. *He is thought to* be looking for a price of about £12m for the company, which at its peak in 1978 was making about £4m profit before tax.

Apart from the Hornby management, another strong contender for the business will be Mr. Richard Beecham, a former joint managing director of the failed DCM group.

He has already acquired four of the DCM subsidiaries from the receiver, including Pedigree Dolls and Toys, which makes the Sindy fashion doll, and has made no secret of his desire to own Hornby, regarded as the jewel of DCM.

Bardsey sells 12% stake in Pratt

Bardsey, the quoted property company in which Mr. John Bentley has a large interest, has sold its 12.67 per cent stake in F. Pratt Engineering Corporation at a profit of almost £260,000. The buyer is the 600 Group, a machine tool manufacturing and engineering company, which has had a close relationship with Pratt for over 30 years.

Bardsey acquired the 690,000-share stake in a "tea-time raid" last month at 85p per share and said later it was considering making a full bid for the rest.

Yesterday, Bardsey said it did *not intend to make an offer for* Pratt and had sold the holding to the 600 Group for £845,250—equal to 122.5p per share. Yesterday the shares fell 6p to 114p.

Mr. Bentley said yesterday he had wanted to make a full bid for the company and was prepared to pay up to 100p. But with the share price rising sharply, "we were looking at the possibility" of paying up to 150p which was "way above" what Bardsey was prepared to pay for the company. It therefore decided to take a profit on the deal, said Mr. Bentley.

He admitted that Pratt's sale of its Hamblin and Wingate optical business to Dolland and Aitchison had influenced the decision to sell the Pratt shares.

Sir Jack Wellings, chairman *and chief executive of the 600* Group, said: "It had been on our minds for a while to take a shareholding in Pratt."

He said it was not the group's present intention to make an offer for the rest of Pratt "but in view of the commercial importance of the business between the two *companies,* it is intended to maintain a substantial holding." Sir Jack could not say whether it was intended to raise the stake from its present level.

Pratt is the exclusive supplier of custom-built chucks and other components for centre lathes manufactured by the Colchester Lathe Company and T. S. Harrison and Sons, both wholly-owned subsidiaries of the 600 Group.

ATIONALISATION NEAR FOR GRAND CENTRAL

The Sri Lanka Government has pressed ahead with legislation which enables it to nationalise some 32,000 acres of prime tea and rubber land owned by Grand Central Investment Holdings.

The Bil was rushed through Parliament yesterday to close loopholes in the land reform laws which have allowed Grand Central to avoid nationalisation since 1975.

Compensation is to be paid to Grand Central, but the amount is being fiercely disputed.

Grand Central's chairman Mr. P. U. Wijewardene, is claiming about 80m rupees (£2.1m) by way of compensation, but the Finance Minister, Mr. Ronnie de Mel, said he was not prepared to pav more than the 20m rupees (£520,000) agreed by a former Government.

Grand Central has already written to shareholders warning them of the forthcoming Bill.

Bristol Evening Post rejects ANG claims

BRISTOL EVENING POST yesterday argued vigorously against the statement by bidder Associated Newspapers Group that BEP shareholders should vote for the offer even if they thought it too low.

ANG, which owns nearly 24 per cent of BEP and is offering 190p each for the rest, is is currently bound by a 1966 agreement under which it promised to buy no more shares. But it is seeking to overturn that agreement at a special meeting on March 10.

The ANG offer, valuing the whole of BEP at £7.8m, is conditional *on resolutions at the* meeting allowing it to overturn part of the agreement at its discretion.

BEP, whose chairman Mr. Andrew Breach yesterday described the bid as "derisory and inadequate," has proposed an amendment which would restore discretion to its own Board.

Mr. Breach said in a letter to BEP shareholders that the Board much regretted ANG's attitude. But discussions would continue with ANG to see if a mutually satisfactory deal could be worked out.

He said it was nonsense for ANG to say that the proposed amendment would neither protect its minority stake nor offer any particular benefits to BEP shareholders generally.

"To release ANG from its undertakings without a corresponding release of BEP from its fetters will only benefit ANG and place it in a privileged position compared with any other parties who may be interested in your company," Mr. Breach told shareholders.

WILLIAMS HUDSON

SHARES in *Williams Hudson,* 95 per cent owned by Mr. David Rowland, were suspended yesterday on Stock Exchange orders pending the issue of a circular complying with listing requirements. The suspension price was 90p.

The Stock Exchange requires *circulars to be sent to shareholders* whenever sizeable acquisitions or disposals of subsidiaries change the nature of a company.

The latest accounts for Hudson, for the period to March 31, 1980, were published in December. They outlined a number of major acquisitions and disposals, some of them post balance sheet date. Disposals included Hudson Steamship, because the company has decided to withdraw from shipping.

GLASGOW PICTURE OFFER NOW £10.50

The bid battle between Glasgow Photo Playhouse and County Properties and Development for Glasgow Picture House shows no sign of abating.

County has now raised its bid a third time to £10.50, 400p above the first offer from Glasgow Photo, who originally held 38 per cent of Glasgow Picture and raised its stake to 43.2 per cent through acceptances.

County has received acceptances totally only 7.66 per tance totalling only 7.66 per cent through its first two offers.

MINING NEWS

Gold Fields first-half profits rise to record

BY GEORGE MILLING-STANLEY

THE VALUE to London's Consolidated Gold Fields of the 46 per cent stake in Gold Fields of South Africa is amply demonstrated by the London company's first-half results, announced yesterday.

With the worldwide economic downturn hitting virtually all of the group's non-gold interests, Cons. Gold has nevertheless achieved record results on the back of a more than doubled contribution from the stake in GFSA.

Cons. Gold's direct interests in South African gold mines also increased their contribution to group profits by more than 100 per cent.

Net profits for the six months to December 31, 1980, were 25 per cent ahead overall at £47.7m, giving earnings per share of 30.3p compared with 25.3p after adjustment for the recent rights issue.

The group *has* declared an interim dividend of 8.5p a share, against an adjusted 7.3p last time. In the year to June 30, 1980, Cons Gold went on to pay a final of 15p, for a total of 22.5p, from full-year net profits of £89.9m.

With income from gold operations *accounting for around half* of group profits at the pre-tax level, the record results came as *no surprise* to the market.

The gold price averaged $639 an ounce during the six months, compared with $362 for the comparable period, and this enabled GFSA to lift its contribution to £22.8m from £10.9m. Higher dividends from the direct stakes in the mines chipped in a further £14.8m, up from £7.2m, but these two were the only areas of the group's activities to return significantly improved results.

Lord Erroll, Cons Gold's chairman, said yesterday that the 21 per cent decline *in profits from* construction materials was primarily due to reduced demand in the UK.

As a result of this, Amey Roadstone has cut its workforce substantially and closed some of its operations, giving rise to *exceptional costs, including* redundancy payments, of £2m, which have been charged against the results.

Amey Roadstone is now in a position to do well when the upturn takes place in UK construction and road maintenance work, he added.

The 14 per cent decline in the group's manufacturing and commercial activities would have been even greater but for the acquisition last year of the drilling rig manufacturing business of Skytop Brewster in the U.S.

Lord Erroll said that this business, which was barely breaking even when it was acquired, is now profitable and the order backlog and profit margins are improving steadily.

The group's other North American drilling rig business, *Gefco,* also did well, as did the steel manufacturing and scrap operations of Azcon, Con Gold's *steel business in the U.S.*

The overall decline in the group's manufacturing activities was primarily caused by the effects of the U.S. recession on Azcon's steel distribution business and the impact of reduced demand in the UK for Alumasc's aluminium products, many of which are supplied to the brewing industry.

Non-gold mining operations were adversely affected by lower copper and tin prices, and by industrial unrest at the group's money-spinning Renison tin mine in Tasmania.

Lord Erroll said he expects that the general world climate over the next six months to June 30 will remain difficult, but he believes the group will provide a rewarding return to shareholders over the period.

The weakness of the gold price over the first couple of months of 1981 does not augur well for Cons Gold, but any falling-off in the contribution from the gold interests should be more than offset by the £23m net proceeds from the sale of the interest in North Broken Hill of Australia, which will be taken into second-half profits.

Lord Erroll gave no clues as to how the group will spend this money, or the much more important £181m raised by the rights issue in November of last year.

Cons Gold shares touched 439p in London after the results, before reacting to profit-taking to close unchanged on the day at 425p.

	Half-year to 31.12.80	31.12.79
	(£ millions)	
Construction materials	19.5	24.7
Manfng. and comm.	11.7	13.9
Sub. mining co's.	3.8	9.8
Share of GFSA	22.8	10.9
Gold divs. from direct holdings in mines	14.8	7.2
Realisation of invests., non-gold divs. and int. *receivable* (net)	12.3	9.6
Making	84.9	76.0
Interest payable	8.7	9.2
Profits before tax	76.2	65.8
Minorities	3.8	6.6
Attributable	47.7	38.3
Earnings per share (histor. cost basis)	30.3	*25.3
Earnings per share (current cost basis)	22.2	*13.2

* Adjusted for rights issue in November 1980.

See Lex

Longer life for Grootvlei

MARKEDLY DIFFERENT prospects for the current year are outlined in the annual statements of Grootvlei and Marievale, two gold mines in South Africa's Gencor group.

Mr. W. R. Weeks, chairman of both the mines, said that Grootvlei now had a probable life of at least 10 years, but Marievale could be forced into an early closure of its underground operations if the bullion price remains below $500 per ounce. Gold was hovering around the $475 level in London yesterday.

A new expansionary phase in operations at Grootvlei is now firmly in progress, Mr. Weeks said, with the decision to rebuild and modify important sections of the reduction plant at a cost of R24m (£14m) and to acquire additional mining rights in the adjoining East Geduld and East Daggafontein areas.

These developments should prolong the mine's life for at least 10 years at the current relationship between the gold price and working costs. In the previous annual report, Grootvlei's life was estimated at around eight years.

Marievale has been attempting to expand its ore reserves, but so far without success. The results of a drilling programme on a section of the old Nigel gold mine were not encouraging, while there is as yet no news on the potential of parts of the former Vogelstruisbult area where Marievale has acquired mining rights.

Mr. Weeks said that Marievale's future depends on low-cost surface tonnage, but the amount of this material is limited and it could be exhausted by the end of the year.

Any worthwhile addition to ore reserves would require a gold price well in excess of the record levels attained last year to justify the expenditure necessary to mine it, he warned.

Conversely, any further weakening below the $500 level could mean an early termination of underground working and the start of clean-up operations in the reduction wo s.

Grootvlei closed at 327p in London yesterday, and Marievale were 169p.

CURRENCIES, MONEY and GOLD

$ and £ ease

Dollar lost ground yesterday against most currencies partly on a lowering of U.S. prime rates and also fears of some support package for the Deutsche Mark and Swiss franc, rumours of which were not confirmed by the respective central banks. Euro-dollar rates were sharply weaker, falling close to a full point in some periods.

Sterling traded erratically and was generally weaker overall ahead of next week's Budget and expected cut in MLR.

European currencies improved in terms of the dollar, while within the European Monetary System the Dutch guilder was the strongest currency, slightly ahead of the French franc. The Deutsche Mark remained the third most improved currency, while the Danish krone continued to lose ground. However the latter was still comfortably placed above the Irish punt, with the Belgian franc placed below the punt, but above the weakest member, the Italian lira.

DOLLAR — trade weighted index (Bank of England) fell to 100.6 from 101.3. The dollar finished lower against most currencies, undermined by a weaker trend in Euro-dollar rates. Against the Deutsche Mark it closed at DM 2.1375 compared with DM 2.1525 on Tuesday, and SwFr 1.9470 against SwFr 1.810 in terms of the Swiss franc. The Japanese yen was slightly weaker at Y208.60 against Y208.50.

STERLING—trade weighted index (Bank of England) fell to 98.7 from 99.5, having stood at 99.1 at noon and 99.4 in the morning. Sterling was weaker all round, showing a fall of 72½ points against the dollar to close at $2.1986-2.1995. It opened at $2.2195-2.2205 and had lost ground by mid-day. The weaker trend was continued in the afternoon, but the dollar came off its best levels and sterling managed to recover slightly. Against European currencies, the pound was weak, closing at DM 4.70 against the Deutsche Mark compared with DM 4.75, and FFr 11.0550 from FFr 11.1525 in terms of the French franc.

D-MARK—A sharp rise in German interest rates coupled with earlier intervention by the Bundesbank has led to a recovery by the D-mark. Unfavourable interest rate differentials and Germany's very large balance of payments deficit had previously combined so that the D-mark fell within the European Monetary System and against the dollar. However, market uncertainty continues, while Germany's proximity to Poland remains a market factor —The D-mark was sharply firmer against the dollar and sterling at yesterday's fixing in Frankfurt, helped by a narrowing of differentials between U.S. and German interest rates. Fears that U.S. rates might ease temporarily prompted some switching out of dollars, and the U.S. unit was fixed at DM 2.1222, well down from Tuesday's figure of DM 2.1730. Sterling was lower at DM 4.7000 against DM 4.7380. Within the EMS there was little change. The Belgian and French franc and the Irish punt were all unchanged from Tuesday, while the Danish krone eased slightly to DM 31.86 per DKr100 from DM 31.87.

FRENCH FRANC—One of the strongest currencies within the EMS. A recent uptrend in West German interest rates has prompted the French authorities to adjust rates higher. The proximity of the French Presidential election has had little effect on the franc so far, and the franc has shown a steadier tendency against the dollar and sterling after recent heavy losses—The franc was slightly weaker within the EMS although many of the member currencies were fixed slightly lower at yesterday's fixing in Paris. The D-mark eased to FFr 2.3542 from FFr 2.3550, and the Dutch guilder fell to FFr 2.1320 from FFr 2.1330.

THE POUND SPOT AND FORWARD

March 4	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1940-2.2225	2.1980-2.1995	0.33-0.43c dis	−2.07	2.20-2.30dis	−4.09
Canada	2.6380-2.6685	2.6410-2.6425	0.80-0.90c dis	−3.86	2.90-3.05dis	−4.50
Nethlnd.	5.16-5.21	5.16½-5.17½	1¼-¼c pm	1.74	1½-½ pm	0.68
Belgium	76.75-77.25	77.00-77.10	7c pm-3 dis	0.31	21-31 dis	−1.35
Denmark	14.66-14.81	14.72½-14.74½	¾ore pm-1 dis	−0.10	4½-6½ dis	−1.49
Ireland	1.2800-1.2900	1.2810-1.2825	0.02-0.14p dis	−0.75	0.42-0.83dis	−1.64
W. Ger.	4.68-4.73	4.69½-4.70½	¼pf pm-⅝ dis	−0.80	1½-2½ dis	−1.70
Portugal	125.20-126.70	125.40-125.60	40c pm-55 dis	−0.72	Par-185 dis	−2.95
Spain	190.50-192.10	190.65-190.85	25c pm-15 dis	0.31	165-205 dis	−3.88
Italy	2260-2276	2262-2264	6½-8½lire dis	−3.98	31½-34½ dis	−5.83
Norway	11.87-12.04	11.87½-11.89½	1½ore pm-par	0.75	½-2½ dis	−0.46
France	11.03-11.12	11.05-11.06	1½-½c pm	1.08	2¼-3¼ dis	−1.17
Sweden	10.18-10.30	10.18¾-10.19¾	1⅞-2⅞ore dis	−2.72	10⅝-11 dis	−4.14
Japan	457-464	458-459	1.85-1.55y pm	4.45	4.35-3.95 pm	3.82
Austria	33.00-33.40	33.03-33.08	8-4gro pm	2.18	7 pm-3 dis	0.24
Switz.	4.28-4.31	4.27¾-4.28¾	2-1c pm	4.20	4¼-3¼ pm	3.50

THE DOLLAR SPOT AND FORWARD

March 4	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.1940-1.2225	2.1980-2.1995	0.33-0.43c dis	−2.07	2.20-2.30dis	−4.09
Ireland†	1.7190-1.7320	1.7190-1.7220	0.15-0.25c dis	−1.39	0.95-1.15dis	−2.43
Canada	1.2002-1.2027	1.2024-1.2027	0.05-0.10c dis	−0.75	0.03-0.0 2dis	0.02
Nethlnd.	2.3380-2.3680	2.3440-2.3460	0.90-0.80c pm	4.35	3.00-2.90 pm	5.03
Belgium	34.65-35.07	35.04-35.06	10-8½c pm	3.19	28-25 pm	3.04
Denmark	6.6380-6.6790	6.6550-6.6600	1.40-0.90ore pm	2.07	5.00-4.50 pm	2.85
W. Ger.	2.1100-2.1450	2.1370-2.1380	0.30-0.20pf pm	1.40	1.35-1.25 pm	2.43
Portugal	56.60-57.20	57.05-57.20	30c pm-10dis	2.11	70 pm-10 dis	2.11
Spain	86.25-86.95	86.85-86.95	20-5c pm	1.73	5 pm-15 dis	−0.23
Italy	1023 1032	1030-1032	½-1½lire dis	−1.02	1½-2½ dis	−0.88
Norway	5.3865-5.4105	5.3870-5.3900	1.40-0.90ore pm	2.56	5.10-4.60 pm	3.60
France	4.9880-5.0350	5.0250-5.0350	1.10-1.00c pm	2.51	3.35-3.15 pm	2.59
Sweden	4.6150-4.6450	4.6400-4.6430	0.30-0.50ore dis	−1.04	0.10pm-0.10dis	—
Japan	208.50-208.75	208.55-208.65	1.25-1.10y pm	6.76	4.20-4.05 pm	7.91
Austria	14.97-15.16	15.03-15.04	5.10-3.80gro pm	3.55	15.00-11.50pm	3.52
Switz.	1.9200-1.9550	1.9465-1.9475	1.08-0.98c pm	6.35	3.52-3.42 pm	7.13

†UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Mar. 4	Bank of England Index	Morgan Guaranty Changes%
Sterling	98.7	−27.4
U.S. dollar	100.6	−3.5
Canadian dollar	84.8	−18.6
Austrian schilling	116.1	+23.0
Belgian franc	107.6	+9.7
Danish kroner	89.2	−9.9
Deutsche mark	119.6	+38.9
Swiss franc	134.0	+75.0
Guilder	112.5	+16.3
French franc	86.0	−9.9
Lira	61.2	−53.4
Yen	146.5	+42.1

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Mar. 3	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.556342	0.538375
U.S. $	13	1.21366	1.17597
Canadian $	17.08	1.46028	1.41740
Austria Sch.	6¾	18.6607	18.0629
Belgium F.	12	43.1395	41.7617
Danish K.	11	8.25896	7.99073
D mark	7½	Unavail.	2.54998
Guilder	9	2.90732	2.81563
French Fr.	9½	6.20423	6.00040
Lira	16½	1269.49	1229.77
Yen	7¼	255.354	246.390
Norwgn. Kr.	9	6.65086	6.45197
Spanish Pts.	8	107.166	103.780
Swedish Kr.	12	5.69065	5.51296
Swiss Fr.	4	2.42550	2.34724
Greek Dr'ch.	—	—	61.5680

OTHER CURRENCIES

Mar. 4	£	$		£ Note Rates
Argentina Peso	4984-5004	2255-2265	Austria	32.95-33.35
Australia Dollar	1.8975-1.9015	0.8646-0.8650	Belgium	78.00-78.80
Brazil Cruzeiro	157.57-158.57	71.51-71.87	Denmark	14.60-14.75
Finland Markka	8.9488.967	4.0750-4.0850	France	10.99-11.09
Greek Drachma	112.849-115.714	51.30-52.45	Germany	4.67½-4.72
Hong Kong Dollar	11.75¼-11.75½	5.3430-5.3480	Italy	2240-2340
Iran Rial	165.60*	75.90*	Japan	459-465
Kuwait Dinar(KD)	0.604-0.610	0.2743-0.2745	Netherlands	5.16-5.21
Luxembourg Frs.	77.00-77.10	35.04-35.06	Norway	11.92-12.04
Malaysia Dollar	5.0530-5.0630	2.3005-2.3025	Portugal	122-127
New Zealand Dlr	2.3915-2.3965	1.0895-1.0905	Spain	186-196
Saudi Arab. Riyal	7.38-7.44	3.3475-3.3515	Sweden	10.21-10.31
Singapore Dollar	4.62-4.63	2.1030-2.1050	Switzerland	4.24-4.28½
Sth African Rand	1.7260-1.7325	0.7850-0.7865	United States	2.20½-2.22
U.A.E. Dirham	8.10-8.16	3.6705-3.6725	Yugoslavia	77-81

Rate given for Argentina is free rate. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 4	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	41.6920	+4.78	+1.74	±1.53
Danish Krone	7.72336	7.98581	+3.40	+0.36	±1.64
German D-Mark	2.48208	2.54585	+2.57	−0.47	±1.125
French Franc	5.84760	5.99341	+2.50	−0.54	±1.3657
Dutch Guilder	2.74362	2.81194	+2.49	−0.55	±1.512
Irish Punt	0.668201	0.695211	+4.04	+1.00	±1.669
Italian Lira	1157.79	1228.96	+6.15	+3.29	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Mar. 4	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.199	4.700	458.5	11.055	4.283	5.170	2283.	2.642	77.05
U.S. Dollar	0.455	1.	2.138	208.5	5.028	1.948	2.351	1029.	1.201	35.04
Deutschemark	0.213	0.468	1.	97.55	2.352	0.911	1.100	481.5	0.562	16.39
Japanese Yen 1,000	2.181	4.796	10.25	1000.	24.11	9.340	11.28	4936.	5.762	168.0
French Franc 10	0.905	1.989	4.251	414.7	10.	3.874	4.677	2047.	2.390	69.70
Swiss Franc	0.234	0.513	1.097	107.1	2.581	1.	1.207	528.4	0.617	17.99
Dutch Guilder	0.193	0.425	0.909	88.68	2.138	0.828	1.	437.7	0.511	14.90
Italian Lira 1,000	0.442	0.972	2.077	202.6	4.885	1.892	2.285	1000.	1.167	34.05
Canadian Dollar	0.379	0.832	1.779	173.6	4.185	1.621	1.957	856.6	1.	29.17
Belgian Franc 100	1.298	2.854	6.100	595.1	14.35	5.556	6.710	2937.	3.429	100.

FT LONDON INTERBANK FIXING (11.00 a.m. MARCH 4)

3 months U.S. dollars		6 months U.S. dollars	
bid 16 5/16	offer 15 7/16	bid 16 1/2	offer 16 5/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Mar. 4	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	14¾-15¼	15½-15¾	17-18	11-11¼	5-5½	10¼-10½	11½-12	15-17	7½-8½	9-9½
7 days' notice	14¾-15	15¾-16	17-18	11-11¼	7-7½	12½-12¾	11½-12	16½-18½	9-10	9-9½
Month	13⅝-13½	15¼-15½	17-17⅜	11 3/16-11 5/16	8⅞-9⅛	13¾-13⅞	12½-13	17-18	12½-12⅝	8⅞-9⅛
Three months	12 9/16-12 11/16	16¼-16½	17⅛-17½	11⅜-11½	9-9¼	13¾-13⅞	13⅛-13⅜	17¾-18¾	13⅜-13⅞	8¾-9
Six months	12¼-12⅜	16⅜-16⅝	16⅝-17	11⅜-11½	9-9¼	13⅛-13⅜	13¼-13¾	18-19	13¾-13⅞	8⅜-8⅝
One Year	12¼-12⅜	15⅞-16⅛	15½-15⅞	11⅜-11½	8⅜-8⅝	12⅛-12⅜	13⅜-13⅞	18½-19½	13¾-13⅞	8⅜-8⅝

SDR linked deposits: one-month 13⅛-13⅜ per cent; three months 13 13/16-14 1/16 per cent; six months 13¾-14 per cent; one year 13 9/16-13 13/16 per cent.

Asian $ (closing rates in Singapore): one-month 15 9/16-15 11/16 per cent; three months 16 7/16-16 9/16 per cent; six months 16 9/16-16 11/16 per cent; one year 16 1/16-16 3/16 per cent. Long-term Eurodollars two years 15½-15¾ per cent; three years 15¼-15½ per cent; four years 15⅛-15⅜ per cent; five years 15-15¼ per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two days' notice.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 15.90-16.00 per cent; three months 16.05-16.15 per cent; six months 16.15-16.25 per cent; one year 15.70-15.80 per cent.

INTERNATIONAL MONEY MARKET

Belgian rates up

The Belgian National Bank has increased its Lombard rate to 13 per cent from 12 per cent, and the special Lombard rate to 14 per cent from 13 per cent. The central bank discount rate was left at 12 per cent, but money market expectations point strongly towards a rise in the discount rate in the near future, because of the extreme weakness of the Belgian franc in the European Monetary System. Rates on Belgian Treasury certificates have been increased several times in recent weeks, most recently on Tuesday, but this coupled with the Lombard rise is unlikely to give significant help to the franc. An increase of at least 2 per cent in the discount rate is probably required, although the central bank is resisting the move as long as possible because of the depressing implications for the Belgian economy.

A spokesman for the National Bank said yesterday's move was "because of increases in interest rates abroad," referring to West Germany, Switzerland and the Netherlands.

The Belgian franc is at or near its lowest permitted EMS level against the Dutch guilder, French franc and the D-mark and well outside the maximum divergence limit where the authorities are expected to take corrective action. Last week the National Bank gave BFr 8.3bn of support to its currency.

The German Bundesbank special Lombard facility remains open today. This was reintroduced on Tuesday at 12 per cent, when commercial banks borrowed DM 26.2bn from the authorities. Yesterday the authorities advanced DM 28bn under the facility.

MONEY RATES

NEW YORK	
Prime Rate	18½-19
Fed. Fund	15½-15½
Treasury Bills (13-week)	14.27
Treasury Bills (26-week)	13.80
GERMANY	
Discount Rate	7.5
Overnight Rate	12.25
One month	14.25
Three months	14.25
Six months	13.50
FRANCE	
Discount Rate	9.5
Overnight Rate	11.75
One month	12.25
Three months	13.0625
Six months	13.1875
JAPAN	
Discount Rate	7.25
Call (Unconditional)	8.75
Bill Discount (three-month)	—

GOLD

Weaker tendency

Gold fell $8 an ounce in the London bullion market yesterday to close at $463-466. It opened at the day's high of $474-$477, and was fixed during the morning at $475.75. During the afternoon the metal continued to lose ground, and was fixed at $465.50, before easing further towards the close.

In Paris the 12½ kilo bar was fixed at FFr 85,150 per kilo ($529.75 per ounce) in the afternoon compared with FFr 85,010 ($528.81) in the morning, and FFr 85,100 ($517.78) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 32,555 per kilo ($477.53 per ounce) against DM 32,610 ($466.88) previously, and closed at $464-467 compared with $470-473 an ounce on Tuesday.

In Zurich gold finished at $465-468 from $470-473 previously.

	Mar. 4		Mar. 3	
Gold Bullion (fine ounce)				
Close	$463-466	(£210¾-212)	$471-474	(£214-215⅛)
Opening	$474-477	(£213½-214¾)	$464-467	(£213-214¼)
Morning fixing	$475.75	(£214.669)	$466.25	(£213.709)
Afternoon fixing	$465.50	(£211.735)	$471	(£214.872)
Gold Coins				
Krugerrand	$480-481½	(£218½-219¼)	$485-486½	(£220¼-221)
1/2 Krugerrand	$246-248	(£112-113)	$250-252	(£113½-114½)
1/4 Krugerand	$125-127	(£57-57¾)	$127-129	(£57¾-58½)
1/10 Krugerrand	$52½-54½	(£24-24¾)	$53-55	(£24-25)
Mapleleaf	$474-475½	(£215¾-216⅛)	$481-482½	(£218½-219¼)
New Sovereigns	$116¾-117¾	(£53-54½)	$118-119	(£53½-54)
King Sovereigns	$142-144	(£64½-65½)	$142-144	(£64½-65½)
Victoria Sovs	$142-144	(£64½-65½)	$142-144	(£64½-65½)
French 20s	$173-175	(£78¾-80)	$175-178	(£79½-81)
50 pesos Mexico	$585-590	(£266¼-268½)	$581-585	(£264-266)
100 Cor. Austria	$458-462	(£208¼-210¼)	$454-458	(£206¼-208¼)
$20 Eagles	$601-605	(£273½-275½)	$598-603	(£271¾-274)

UK MONEY MARKET

Small help

Bank of England Minimum Lending Rate 14 per cent (from November 24, 1980)

Longer-term interest rates showed a firmer trend in the London money market yesterday, reflecting uncertainty about the economic situation in the run up to next week's Budget.

Rates for the shorter periods fell in anticipation of a cut in Bank of England Minimum Lending Rate, but day-to-day money was generally firm despite expectations of a comfortable day. The supply of funds was probably adequate for the needs of the market, but the authorities gave assistance on a small scale by buying eligible bank bills from the discount houses. With money slow to find its way through the banking system discount houses paid around 14 per cent for secured call money for most of the day, while interbank overnight funds finished firm at 15 per cent.

LONDON MONEY RATES

Mar. 4 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	13¾-15½	15-15½	—	—	14¾	13¾-14	—	—	—
2 days notice	—	—	14⅞-15	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	15-15⅛	14¾-15	—	15⅛	14⅞	14	—	—	—
One month	13¾-13 13/16	13½-13 11/16	13⅝-13⅞	14⅜-14	14 1/16	14⅛	12½-12⅝	12 13/16	13⅛-13 3/16	13⅞
Two months	12¾-12 13/16	12 15/16-13	—	13⅝-14	13 1/16	13⅜	12¼-12⅜	12¼-12 5/16	12 13/16-12⅞	13
Three months	12⅝-12 11/16	12 9/16-12¾	12⅞-12½	13⅛-12⅝	13 1/16	13⅛-13¼	12	11 13/16-11¾	11 15/16-11 13/16	12⅛
Six months	12¼-12⅛	12 7/16-12⅝	12¼	12⅝-12¼	12⅞	12¾	—	—	11 7/16	12
Nine months	12¼-12⅛	12 7/16-12 9/16	—	12⅝-12¼	12½	12⅝	—	—	—	—
One year	12¼-12⅛	12 7/16-12 7/16	12⅛-12⅜	12⅛-12¼	12⅛	12¾	—	—	—	—
Two years	—	—	12⅛-12¾	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 13 per cent; four years 13⅛-13½ per cent; five years 13⅛-13½ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11¾ per cent; four-month trade bills 12¼ per cent.

Approximate selling rate for one-month Treasury bills 12 11/16 per cent; two months 11 15/16-12⅛ per cent; three months 11 7/16 per cent. Approximate selling rate for one-month bank bills 13⅛-13 3/16 per cent; two months 12 9/16-12¾ per cent; three months 11 11/16 per cent; one-month trade bills 13⅝ per cent; two months 12¾ per cent and three months 12¼ per cent.

Finance House Base Rates (published by the Finance Houses Association) 14 per cent from March 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 11.5867 per cent.

VONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	3.3.81	24.2.81	AVERAGE YIELD	3.3.81	24.2.81
DM Bonds	87.65	87.86	DM Bonds	10.242	10.149
HFL Bonds & Notes	90.57	92.41	HFL Bonds & Notes	10.913	10.510
U.S. $ Strt. Bonds	83.53	83.81	U.S. $ Strt. Bonds	12.684	12.596
Can. Dollar Bonds	87.92	87.72	Can. Dollar Bonds	12.815	12.830

Abitibi recommends Olympia bid

BY ROBERT GIBBENS IN MONTREAL

THE MANAGEMENT of Abitibi-Price, the world's largest news print producer, has reluctantly recommended that shareholders should accept a C$32 a share bid from Olympia and York Developments, the international real estate developer now diversifying into resources and owned directly by the Reichman family of Toronto.

The Olympia bid is worth nearly C$600m (U.S.$500m). Olympia already owns around 10 per cent of Abitibi.

Two weeks ago, the Abitibi management advised shareholders to turn down an earlier bid by Olympia at C$28 per share for a total of 6.75m shares. Last week it recommended a counter bid at C$31 per share for 8.5m shares made jointly by Thomson Newspapers, the Toronto-based newspaper holding company of Lord Thomson, and Calgary real estate developer, Nu-West Group. On Tuesday the joint bid was withdrawn.

In its latest recommendation, Abitibi management said that "in the absence of the better offer," shareholders should accept the Olympia bid, implying that it hopes a higher bid may yet appear by today. The *Olympia bid is due to go ahead* through the Canadian stock exchanges on Friday morning.

Rumours persist that another major group may make an 11th hour counter bid to Olympia's, possibly using the share exchange route. Some pulp and paper industry analysts claim that a price of C$35 to C$36 a share could be justified for Abitibi.

Abitibi, with more than 1m tonnes of newsprint capacity in eastern Canada, major operations in timber and building materials, pulp and fine papers, a 40 per cent interest in a producing mine and a gold prospect in northern Ontario, has been subject to takeover *rumours for the past two years.* However, its stock has remained widely held, although management for long has favoured the idea of having a major shareholder.

The bidding war for Abitibi began six weeks ago when Federal Commerce and Navigation, a major Canadian shipping company with international operations, offered C$27.50 for 2.25m Abitibi shares "as an investment."

Federal Commerce has since privately bought several large holdings, including that of Consolidated Bathurst, to bring its total stake to 21 per cent and would make a handsome profit if it decided to tender its stock to Olympia. Another major holder, West Fraser Timber, 13 per cent, bought its stock two years ago at below C$20 a share.

George Weston edges ahead

BY OUR MONTREAL CORRESPONDENT

DESPITE the slowdown in the fisheries section of its business, George Weston, the Canadian supermarket, food processing and industrial group, edged profits ahead to a peak last year.

Total net of the company, which is controlled by the Weston family, moved up from C$66m to C$70.5m (US$58.7m), or C$5.11 a share. Sales of C$6.78bn compared with C$5.87bn in the previous year.

The final quarter evidently *went somwhat better than the* board anticipated. Earlier in the year a strong first quarter was offset by a poor second quarter when the short-lived recession in the U.S. reduced house starts there which hit *profits at Weston's forest* products division.

But the paper and pulp sections of this division turned in good results throughout the year and the revival of housebuilding in the U.S. clearly helped the final-quarter performance at Weston.

The food products section, largely represented by the Loblaw group of companies, *primarily a supermarget chain,* provided strong support to Weston profit growth. Loblaw improved its earnings from *C$22.9m to C$34.1m*, or 82 cents a share in the full year. Sales advanced from C$4.73bn to C$5.38bn. The board commented at the beginning of the year that food sales were benefiting from the strength of the U.S. market.

There was no news yesterday on the dividend prospects for the year, but Mr. Gale Weston, chairman, warned shareholders last August that payouts would "remain conservative" for the immediate future. The dividend stands at 35 cents quarterly at present.

The Weston family business is best known in the UK for its Associated British Foods and the Fortnum and Mason store in Piccadilly. But the *family also has food chains in Europe, Aus*tria and South Africa.

In 1979, the George Weston group lost out to the Thomson family in the bid battle for Hudsons Bay Company, the Canadian retail store chain. Weston said at that time that it *would seek other takeover* opportunities.

Allied buys more of Castlemaine

By James Forth in Sydney

ALLIED BREWERIES of the UK has strengthened its stake in the Australian brewing industry by purchasing for A$18.61m (US$ 21.5m) a further 6 per cent of the capital of Castlemaine-Tooheys, the Queensland-based brewer.

The UK brewery obtained an exemption from the Queensland Government to enable it to take up the shares without extending a full take-over offer to remaining shareholders. Under existing state legislation Allied was required to make a bid for Castlemaine if it bought more than 3 per cent of the capital.

Allied took up a placement of 5.17m Castlemaine shares at A$3.60, which lifted its holding in the group from 14.9 per cent to 20.9 per cent. Because Allied now holds more than 15 per cent of Castlemaine, the Queensland group is classed as "foreign" under the Federal Foreign Take-overs Act. Moreover, the New South Wales brewer, Tooth, also becomes foreign because Castlemaine holds 20.8 per cent of its capital.

This means that if either Castlemaine or Tooth want to make a take-over bid they will have to apply to the Foreign Investment Review Board for approval.

Castlemaine also yesterday announced an increase in net profits for the December 31 half-year and plans to raise A$25.5m through a rights issue which is to follow a scrip issue. Both isues will be at one-for-eight.

Net profit of the group advanced by 12.2 per cent to A$17.65m in the six months from the combined A$15.73m earned by Castlemaine Perkins and Tooheys, of Sydney, before their merger in March last year.

Sales advanced by only 2.2 per cent to $330.31m.

Merger moves Newhouse up in cable TV rankings

BY IAN HARGREAVES IN NEW YORK

THE NEWHOUSE Organisation, which has interests in newspaper, magazine and television companies, yesterday announced a merger with Vision Communications, a New York-based cable TV operator. As a result, Newhouse will move to eighth place in the ranks of the U.S. cable television industry. It already has two cable TV divisions and with the addition of Vision will serve 500,000 subscribers.

Financial terms of the transaction were not disclosed by either of the privately held companies.

Mr. Sidney Knafel, chairman of Vision, said his company would operate as a separate division within the Newhouse group, but would benefit from the greater resources of the larger company.

The company, he said, had turned down many approaches for merger in recent years, but was happy to be joining another private company which would not be deflected from long-term growth by the need to maintain a particular earnings growth pattern.

Newhouse's principal subsidiary is Conde Naste Publications, which owns 29 daily newspapers. In addition to cable TV, the Newhouse family owns several TV broadcasting companies.

Schering-Plough

Schering-Plough, the ethical and proprietory drug group, expects "modest" earnings improvement in 1981, reports Reuter from Boston. Earnings gains will be limited by intensified generic competition *for its aminoglycoside antibiotic* gentamicin and by the strengthening of the U.S. dollar, said the board.

Coca-Cola ends year on brighter note

By Our Financial Staff

COCA-COLA COMPANY, the Atlanta-based multinational which makes syrups and cordials for soft drinks, has recovered from its third quarter decline in net profits to post almost unchanged results for 1980, as forecast.

The final quarter saw net profits advance from $89.14m to $95.85m on sales strongly ahead from $1.25bn to $1.51bn. This left the annual total at $422.11m, ahead from the $420.12m earned in 1979.

Sales for the year were up from $4.96bn to $5.91bn, and earnings per share were $3.42 against $3.40 after the final quarter contribution of 78 cents compared with 72 cents.

When reporting the $20m drop in earnings in the third quarter, Coke said that the fourth quarter should see a resumption of foreign unit sales growth.

Japanese groups launch convertibles

By Francis Ghilès

TWO DOLLAR denominated convertible bond issues were *launched yesterday, both for* Japanese names. Yamaichi and Schroeder Wagg are arranging a $40m 15-year issue for Tokyu Land, the real estate developer, which carries an indicated coupon *of 7¾ per cent and a premium* of around 5 per cent.

Kuwait Investment Company and Nomura Europe meanwhile launched a $25m currency-linked issue (a yen bond for which the transaction currency is dollars) for the Japanese retail superstore group, Itoh Yokado. The borrower is paying an indicated coupon of 6.9 per cent and a conversion premium of 5-7½ per cent. The final terms *of* the $25m 15-year convertible for Kotobukiya have been fixed by the lead manager, Nikko Securities. This issue carries a coupon of 7 per cent and a conversion premium of 3.16 per cent.

Prices *of fixed interest* Eurodollar bonds gained about ¼ a point yesterday on the tail of a firm market in New York but, as in recent weeks, *investors* were nowhere to be found.

For the second time this year, the World Bank suffered the setback of having one of its Eurobond issues undersubscribed. The Fl 200m 11¼ per cent bond to 1991 which is managed by Algemene Bank Nederland, was priced ½ a point lower than anticipated, at 99. This issue fell foul of the ¾ point raise in guilder yields since the coupon of this issue was initially fixed last week. The latest tender of Dutch government bonds announced yesterday, offers the investor a coupon of 12 per cent. The new issue for the World Bank thus looks unattractive to investors, even on the yield of 11.42 per cent it currently offers.

Deutsche Mark and Swiss franc bonds rose by ½ and ¾ points respectively because both currencies gained ground against the dollar.

● Dean *Witter* Reynolds Overseas started making markets in about 95 floating rate note issues on Tuesday. The U.S. investment house plans to follow up this intial expansion into the Eurobond market by making markets in fixed interest bonds denominated in dollars, Deutsche Marks, Swiss francs, guilders and French francs later this year.

Up to now, Dean Witter Reynolds, the U.S. investment house, has concentrated, in its London operations, on servicing the needs of its U.S. clients.

Costa Rica near to accord on $118m a year IMF facility

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

COSTA RICA is now close to an agreement with the International Monetary *Fund* that will allow it to draw $118m a year for the next three years under the extended finance facility, according to Sr. Hernan Saenz, the Finance Minister.

The agreement, expected to be signed by the end of March, will not come a moment too soon, for by Sr. Saenz's own admission, the Costa Rican central bank has faced a "negative net reserve position" since last November.

Speaking to the Press in London this week, Sr. Saenz declined to give details of the extent to which the central bank is short of foreign exchange, but he said it was a temporary phenomenon. An agreement with the IMF would open the door for the resumption of foreign borrowing on commercial markets.

Sr. Saenz estimates that Costa Rica will need to borrow about $459m abroad this year, excluding $150m in debt amortisation requirements which will be met out of existing undrawn loan commitments. In 1980 the net borrowing requirement was $410m.

Weak reserves

A large part of the borrowing requirement will come from multilateral institutions such as the World Bank, Inter-American Development Bank and Central American Bank for Economic Integration. But $250m will still have to be raised on financial markets.

Undeterred by its critically weak reserve position, Costa Rica plans to tap the bond markets again in 1981. According to Sr. Raul Fernandez, the Director of Public Credit, it hopes to raise funds in the dollar market, where it has already launched a floating issue, in Swiss francs, where it has aso done a floating issue, in Japanese yen, where it is on *the waiting list for Samurai* bonds, and in Deutsche Marks.

But Sr. Fernandez admits that the task of organising this year's foreign borrowing is much harder than it was in 1980, not only because of loss of confidence arising from the negative foreign exchange position, but also because of political considerations.

Stable democracy

The *market tends to* lump Costa Rica together with the rest of Central America, even if its record as a stable democracy is different from that of such trouble spots as El Salvador.

For *all these reasons* Costa Rican officials admit that terms on syndicated Euroloans are likely to harden in 1981. They expect both that spreads will rise and maturities will shorten compared to last year, when the country's electricity authority was able to raise eight-year money at a split margin of 1-1⅛ per cent.

The Costa Ricans hope that an agreement with the IMF will help the country's standing. Some of the economic policy conditions laid down by the Fund for such an agreement—increased sales tax and devaluation and restoration of a unified exchange rate for the colon—have already been fulfilled. Others remain to be implemented.

Under the programme, which the IMF favours, the Government would have to get a grip on the public sector budget deficit. A key target, according to Sr. Saenz, is to reduce the deficit to about 6.5 per cent of gross national product by 1983 from 11.4 per cent last year, and the current account deficit to 8.5 per cent from 13.7 per cent.

Poor beer sales in summer hit Heineken

By Charles Batchelor in Amsterdam

HEINEKEN, the Dutch brewer, experienced a sharp fall in net profits for 1980. The company was hit last year by the poor summer in Europe, by inflation and controls on prices.

Net profit fell by 34 per cent to Fl 83.1m ($35m) on sales which were 11 per cent higher at Fl 2.97bn. Net profit per share fell to Fl 5.75 from Fl 8.70. The previous accounting period covered 15 months to December 1979 but the comparative figures are for the 1979 calendar year.

Heineken proposes paying a final dividend of Fl 2 bringing the total payment to Fl 3.50. This compares with the Fl 4.40 paid for the previous 15 months, prior to a one-for-four scrip.

Thus the total 1980 dividend represents an effective increase. The company said the Fl 3.50 payment this time was intended as a resumption of the pattern set in 1978 when it also paid Fl 3.50.

Heineken's annual figures show that the company accomplished the slight recovery expected in the second half. At the half-way stage profits were 52 per cent lower on sales which were nearly 5 per cent up.

Upturn for Swiss insurer

By John Wicks in Zurich

NET PROFITS of the General of Berne Insurance Company rose by 4.4 per cent last year to SwFr 5.88m ($2.95m).

The board recommends an unchanged dividend of SwFr 70 a share. For the two subsidiaries, Bernese Life Insurance and Alba General Insurance, a 25-year jubilee bonus of SwFr 2.50 a share will be added to unchanged dividends of SwFr 10 a share.

$600m INVESTMENT PROVIDES OPPORTUNITIES

Renault spur to Portuguese components groups

BY DIANA SMITH IN LISBON

RENAULT is coming to Portugal like a latter-day deus ex *machina,* not only to invest $600m in car plants and a motor and gearbox unit, but also to spur the embryonic Portuguese *components industry into bild*ing itself up and to order millions of dollars worth of capital equipment.

The investment is the largest single foreign offering made to Portugal; it means 6,000 direct jobs, and at least *12,000 indirect* jobs, not to mention a fresh approach to the motor industry.

This has until now centred on assembly by foreign majors of imported car kits using a few *domestically* made components.

A year ago Renault signed its contract with the Portuguese state which gave Renault a 70 per cent share of the capital of Renault Portuguese, and the Portuguese state 30 per cent. In December 1980 the capital base was increased from the original Esc 360m to Esc 1.14bn ($22.8m).

Renault's new units will reach full capacity in 1987, when the $155m car plant in Setubal, south of Lisbon, should produce *80,000 passenger and mixed* vehicles a year, with 25 per cent destined for export.

The mechanical unit in Cacia-Aveiro in the north will, with a $248m investment, turn out 225,000 motors and 80,000 gear*boxes a year,* also partially for export.

Renault Portuguese has committed itself to using a 60 per cent Portuguese component content in Setubal and 80 per cent in Cacia-Aveiro—an opportunity which, *so far,* appears *not* to have been fully appreciated by potential local suppliers.

As Renault can, if it must, turn to traditional suppliers in France or elsewhere for components, the solution lies with Portuguese suppliers, not the French investors.

Renault is offering technical assistance, and 10 Portuguese concerns have signed contracts with 11 foreign components manufacturers who will bring technology transfers and tech*nical assistance.*

But despite the offers of help from Renault and others, and generous tax or credit incentives to new investors or to industrialists planning to modernise and expand, Renault *in many cases seems forced to* act as a stern tutor, rejecting components whose quality is far from satisfactory, or nagging, with what its directors call "tireless perseverance and tenacity" small-scale manufacturers into mending their ways.

Renault has not started from scratch in Portugal: for some years it has had a small plant in Guarda, near the Spanish border, which was assembling 49 car kits a day in 1980.

However the speed with *which Renault has created an* active assembly line at Setubal from a disused warehouse has surprised local industrialists. The site was acquired only in March 1980 and in the final four months of the year, 3,006 *cars were assembled, with 1,500* exported to France.

This high export ratio reflects the 1977 automobile law passed by the Portuguese Government, under which foreign majors are held to tight import quotas of *completely assembled cars. to* ensure that Portuguese workers are employed assembling cars. However, *if car makers strive to* e x p o r t Portuguese-assembled cars, their built-up car import quotas can increase.

Thus, with only 5,006 vehicles assembled in Guarda and Setubal, Renault sold 12,068 vehicles in Portugal last year, increasing its market share to 23.8 per cent and taking the lead from Fiat. The total market of 50,601 new cars was 11 per cent larger *than in 1979.*

At first glance, Renault's investment in economically-backward Portugal may seem misplaced. Portugal has the lowest per capita annual income at ($1,500) and the most expensive *petrol in Europe, but the price* of petrol not withstanding, Renault expect the Portuguese market to grow. Most existing cars are old, it argues, and it has forecast the 1985 market at 110,000 new vehicles, of which *Renault hopes to sell 60,000.*

When Renault negotiated its deal with the Portuguese Government it was offered a guaranteed 45 per cent market reserve, but the outcry from other car groups caused this idea to be dropped.

Nevertheless, assuming it can iron out difficulties with component suppliers, and bring suppliers' costs down, Renault clearly expects to carve out the lion's share of the market on merit.

AMERICAN QUARTERLIES

CHROMALLOY-AMERICAN	1980	1979
Fourth quarter	$	$
Revenue	375.3m	398.9m
Net profits	11.7m	9m
Net per share	0.75	0.57
Year		
Revenue	1.52bn	1.53bn
Net profits	44.4m	50.6m
Net per share	2.84	3.60

DYNALECTRON	1980	1979
Fourth quarter	$	$
Revenue	125.1m	104.2m
Net profits	2.59m	2.47m
Net per share	0.31	0.34
Year		
Revenue	442.6m	354.3m
Net profits	5m	4.01m
Net per share	0.65	0.57

EL PASO	1980	1979
Fourth quarter	$	$
Revenue	928.1m	792.3m
Net profits	30.5m	31.9m
Net per share	0.64	0.68
Year		
Revenue	3.54bn	2.66bn
Net profits	108.9m	110.7m
Net per share	2.30	2.40

ESMARK	1980	1979
First quarter	$	$
Revenue	733.8m	620.5m
Net profits	11.7m	7.4m
Net per share	1.03	0.29

IMS INTERNATIONAL	1980	1979
Year	$	$
Revenue	169.8m	141.8m
Net profits	12.11m	10.25m
Net per share	1.30	1.12

SANTA FE INTERNATIONAL	1980	1979
Fourth quarter	$	$
Revenue	365.5m	137.5m
Net profits	29.7m	14m
Net per share	1.38	0.66
Year		
Revenue	1.23bn	535.1m
Net profits	80.9m	16.5m
Net per share	3.71	0.78

SPRING MILLS	1980	1979
Fourth quarter	$	$
Revenue	242.2m	208.6m
Net profits	†11m	9.9m
Net per share	†1.25	1.13
† Loss.		
Year		
Revenue	794.5m	671.5m
Net profits	10.6m	35.1m
Net per share	1.20	3.98

TORONTO DOMINION BANK	1980	1979
First quarter	$	$
Revenue	1.18bn	889.6m
Net profits	70.4m	42.1m
Net per share	1.85	1.11

WHITTAKER	1980	1979
First quarter	$	$
Revenue	382m	268.8m
Net profits	14.7m	12.1m
Net per share	0.95	0.83

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds *see the complete list of Eurobond prices which* will be published next on Wednesday, March 11. Closing prices on March 4

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amoco 13¼ 88	75	94⅝	95⅛	+0⅛	0	14.45
CECA 11½ 88	100	87⅛	87⅝	+0¼	−0⅛	14.34
CNE 12¾ 91	100	90¾	91¼	+0¼	−0⅛	14.50
Citicorp O/S Fin. 10 86	300	84⅞	85⅜	+0½	−0⅛	14.12
Citicorp O/S Fin. 12 87	200	90⅜	90⅞	+0½	+0⅛	14.23
Con. Illinois O/S 9¾ 86	150	83	83½	+0⅛	−0½	14.43
Denmark 11¾ 90	100	84⅞	85⅜	+0⅛	−0½	14.77
Dupont Canada 13½ 91	65	95	95½	+0½	−0⅛	14.42
EEC 11 95 (May)	75	79½	80	0	−0⅝	14.40
EEC 11 95 (August)	70	78¼	79	0	−0⅛	14.60
EIB 13¾ 90	100	95⅞	96⅜	0	−0¼	14.51
Eksportfinans 9½ 87	75	81⅜	82⅛	−0⅛	−0½	13.94
Elec. de France 10 88	125	81⅜	81⅞	+0⅛	−0½	14.16
Elec. de France 13 88	125	93⅞	94⅜	+0½	−0⅛	14.38
Export Dv. Cpn. 12¾ 87	100	93⅝	94⅛	+0⅝	+0⅛	14.27
Export Dv. Cpn. 9½ 86	150	83	83½	+0⅛	−0⅛	14.51
Fin. Exp. Credit 10½ 85	50	87	87½	+0¼	−0¼	14.63
Finland, Rep. of 9½ 86	100	81⅞	82⅜	+0⅛	−0⅛	14.78
Ford Credit O/S 14⅝ 83	150	97⅛	97⅝	+0⅛	−0¼	15.78
Ford Cr. O/S Fin. 16 84	150	102⅛	102⅝	+0⅛	+0⅛	14.92
Gaz de France 13½ 86	60	97⅛	97¾	+0⅛	−0⅛	14.22
GMAC O/S Fin. 12 87	100	88¾	89¼	+0⅝	+0½	14.87
GMAC O/S Fin. 12⅞ 88	100	91	91½	+0⅛	−0⅛	14.98
Gen. Mtrs. O/S 11¾ 87	100	88½	89	+0⅛	+0¼	14.46
GTE Fin. 13¾ 86 (WW)	50	98	98½	+0½	−0½	14.24
Hudson's Bay 11½ 90	75	84⅝	85⅛	+0½	+0¼	14.54
IBM Canada 10½ 85	50	94⅞	95⅜	+0⅛	−0⅛	11.97
IBM Wld. Trade 12½ 88	200	94⅜	94⅞	+0¼	−1	13.74
Newfoundland 13½ 90	60	94	94½	+0¼	+0¼	14.68
Nova Scotia 10¾ 90	50	81⅛	81⅝	+0⅛	0	14.47
OKB 10 85	50	86⅞	87⅜	+0½	0	14.10
Quebec Hydro 11½ 92	100	82⅜	82⅞	+0½	−0⅛	14.72
Queb. Hy. 13 91 (WW)	100	91¼	91¾	+0⅛	0	14.66
Roylease 11¾ 85	50	90½	91	+0½	+0¼	14.23
SNCF 12¾ 85	50	94	94½	+0⅛	−0⅛	14.24
SNCF 13 91	75	93⅛	93⅝	+0¼	−1⅛	14.28
Sven Handelsbk 13¾ 88	45	94⅞	95⅜	+0¼	−0¼	14.88
Sweden 12⅛ 85	150	93⅜	93⅞	+0¼	−0⅛	14.32
Swed. Ex. Credit 12 83	50	93½	94	+0⅛	−0⅛	15.00
Swed. Ex. Credit 13 86	75	94½	95	+0⅛	−0⅛	14.56
Unilever NV 9¾ 90	100	79	79½	+0⅛	−0⅛	13.80
World Bank 9¾ 85	200	87	87½	+0⅛	−0⅛	13.85
World Bank 10¾ 87	300	83⅞	84⅜	0	−0⅞	14.20

Average price change... On day +0⅛ on week −0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8½ 90	100	86⅞	87⅜	+0¼	+0¼	10.52
Australia 8¼ 90	250	90⅞	91⅜	+1⅛	+1⅛	9.62
Austria, Rep. of 8¼ 92	150	88	88¾	+0⅛	+1¼	9.97
BFCE 8¼ 95	100	85½	86¼	+0⅛	+0⅞	10.05
CFCA 7⅞ 92	150	84¾	85½	−0⅛	−1	10.11
CII-Honeywell 8⅝ 90	125	87⅞	88⅜	+0¼	−0⅛	10.37
Denmark 8¾ 92	100	88½	89¼	+0⅛	+0¼	9.96
EIB 8½ 90	200	90⅞	91⅜	+0⅛	+0⅛	9.94
ESCOM 9¾ 87	100	93¼	94	−0⅛	−0⅛	10.61
Iberduero SA 9 90	100	89⅝	90⅛	−0⅛	−1⅞	10.72
Ind. Bk. Finland 8½ 90	50	85⅛	85⅞	+0⅛	−1⅞	10.99
Japan Air Lines 8¼ 87	100	90⅜	91⅛	0	+0⅛	10.07
Japan Dev. Bank 7¾ 87	100	87⅞	88⅜	+0⅛	+1	10.28
Kobe, City of 8 90	100	87	87¾	+0½	+0⅛	10.14
Midland Int. Fin. 8½ 90	180	90½	91	+0⅛	+0⅛	10.05
Norway 7½ 85	250	91⅞	92⅝	+0¼	+0½	10.00
Nuclebras 9¾ 88	100	86⅛	86⅞	−0½	−1½	12.60
OKB 8¾ 92	150	86	86¾	−0⅛	0	10.33
Oslo, City of 8¾ 90	80	91¼	92	+0⅛	−2⅞	10.22
Venezuela, R. of 9¾ 90	150	92⅜	93⅛	−0⅛	−0⅛	10.99
World Bank 8 90	700	87⅝	88⅜	−0½	+0⅞	10.06
World Bank 10 86	150	100½	101¼	+0⅛	+0½	9.76
World Bank 10 90	200	100⅛	100⅞	−0⅛	−0⅛	9.90

Average price changes... On day +0⅛ on week +0¼

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Austria, Rep. of 5⅜ 90	100	†89½	90½	+0½	−3	6.84
BFCE 6½ 91	100	100¾	101	+0½	−1⅜	6.38
Bayer Int. Fin. 5¼ 92	100	90	90½	+0⅞	−1⅜	6.47
Bergen, City of 6 90	50	93½	93¾	+0½	−3⅛	6.85
Buhrm'n-Tetterode 7 90	40	100½	101	+0⅞	−2⅛	6.88
Copenhagen Tele. 5¾ 90	60	89	89½	−1⅞	−2⅞	7.35
Denmark 5¼ 90	80	88¼	88¾	+1⅛	−1⅞	7.50
Dome Petroleum 5¾ 91	100	93¼	93½	+0⅛	−0⅞	6.68
Elet. de France 5¼ 90	100	†90	91	−0½	−3⅛	6.62
Eurofima 5¾ 92	80	†100	101	0	+0¼	5.59
F. G. H. Hypo. Bk. 6 90	50	†95¼	96¼	+0⅛	−0⅛	6.58
Finland, Rep. of 5⅝ 90	80	†90	91	0	−1⅛	7.03
Int.-Amer. Dev. 7 90	80	100	100¼	0	−2⅛	6.98
Japan Dev. Bank 5¾ 90	100	95½	95¾	+2⅛	−0⅛	6.37
Jutland Tele. 5½ 90	50	90⅛	90⅝	+0⅛	−1	7.00
Mt. Blanc Tunnel 5½ 90	60	91½	91¾	−0⅛	−1¼	6.71
Newag 5¾ 90	80	93	94	0	−0⅛	6.70
Norges Komm. 4¾ 91	100	81⅛	81⅞	+1⅛	−0⅛	6.85
OKB 4¾ 91	100	81⅛	81⅞	+0½	−1¼	6.85
OKB 6 90	100	96⅜	96⅞	−0½	−1⅛	6.52
Oslo, City of 4¾ 91	100	81	81¼	−0⅛	−1⅛	6.94
Oslo, City of 5⅞ 90	80	94	94¾	−0¼	−1⅞	6.72
Philips Lamps 5¾ 92	100	88½	89½	−0⅛	−2⅛	6.65
Sekisui Pre. Hms. 6 90	80	†94	95	+1⅛	−1	5.81
Shikoku El. Pwr. 4¾ 89	100	86⅛	86⅝	+0⅞	−5¼	6.90
Trade Dev. Fin. 6⅛ 90	50	†94½	95	+1½	+1½	6.89
Voest-Alpine 5¾ 90	80	93¾	94	+0½	−1	6.63
World Bank 6 91	100	94½	94¾	0	−1	6.76

Average price changes... On day +0⅛ on week −1⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	91¾	92¾	+0¼	−0⅛	9.02
Australia 6½ 88	20	87	88	−0⅛	−0½	8.94
EIB 7¾ 89	12	92¾	93¾	−0⅛	−0⅛	8.92
Finland 5.6 83	10	90⅞	91⅞	0	−0⅛	9.36
Finland 6.8 88	10	87⅛	88⅛	+0⅛	+0⅛	9.25
Finland, Rep. of 8⅞ 87	15	96½	97½	−0⅛	+0½	8.01

Average price changes... On day 0 on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10¾ 86 C$	60	91	91¾	−0⅛	−0⅛	12.98
CIBC 13½ 85 C$	50	†97⅛	98	+0½	−0½	14.24
CIBC 11½ 85 C$	60	†91⅞	92½	0	0	13.97
Federal Dev. 11½ 90 C$	60	†85½	86½	−0⅛	−0½	14.26
Fst. Can. Inv. 10 84 C$	50	†87¼	88⅛	+0⅛	−0¼	14.89
R. Bk. Canada 10 86 C$	40	91½	92½	0	+1⅛	12.14
Tordom Cpn. 13½ 85 C$	30	†97¾	98½	+0⅛	+0¼	14.07
M. Bk. Dnmk. 9 91 EUA	25	89½	90½	0	0	10.57
SOFTE 8¼ 89 EUA	40	86	87	0	0	10.83
U. Bk. Nrwy. 9½ 90 EUA	18	96¾	98	−0⅛	−0⅛	9.95
Algemene Bk. 10¼ 86 Fl	60	95⅜	96⅛	+0⅛	−1⅛	11.38
Bk. Mees & H. 10 85 Fl	75	97⅛	97⅝	+0⅛	−1	10.74
Heineken NV 10 87 Fl	100	94⅛	95⅛	+0⅛	−0⅛	11.11
Nat. Nedrindn. 10 88 Fl	60	94	94½	+0⅞	+0⅛	11.23
Ned. Midd. Bk. 10 85 Fl	75	97⅞	98⅜	+0⅛	+0⅛	10.51
Pierson 10¼ 86 Fl	50	97⅛	97¾	+0½	−0⅛	10.92
Aero Paris 13¾ 87 FFr	150	93	94	+0⅛	−1⅛	14.69
Charb'nages 13⅞ 85 FFr	400	97⅛	98⅛	+0½	0	14.51
CECA 14¼ 86 FFr	150	97⅜	98⅜	+0½	−0⅛	14.78
EIB 14⅛ 88 FFr	300	97⅛	98½	+0⅛	−0⅛	14.58
Finland 11 84 FFr	90	88⅞	89⅞	+0⅛	−0¼	14.85
Gaz de France 11 84 FFr	150	90⅜	91⅜	−0⅛	−0⅛	14.37
La Redoute 14¾ 85 FFr	125	94⅛	95⅛	+0¼	−0⅛	16.01
OKB 14 86 FFr	400	97⅛	98⅛	+0¼	−1⅛	14.69
Utd. Mex. Sts. 14 85 FFr	150	96⅛	97⅛	+0⅛	−0⅛	15.07
Acona 14 85 £	20	94½	95¼	+0⅛	−0⅛	15.55
Beneficial 14¾ 90 £	20	93⅜	94⅛	+0½	−0⅛	15.44
BNP 13¾ 91 £	15	95⅞	96⅝	0	−0¼	14.21
CECA 13¾ 88 £	20	96	96¾	0	−0¼	14.26
Citicorp O/S 13½ 90 £	50	95¾	96½	0	−0⅞	14.28
Fin. for Ind. 14½ 88 £	20	99⅛	99⅞	+0⅛	−1⅛	14.62
Fin. for Ind. 13¾ 87 £	20	97⅛	98	0	−1½	14.28
Gen. Elec. Co. 12¼ 89 £	50	93¼	94½	0	−0⅛	13.76
Peugeot SA 14 90 £	23	93½	94¼	−0⅛	−0⅞	15.22
Rothschild 14¼ 90 £	12	98⅛	98⅞	0	−1⅛	14.50
Royal Trustco 14 86 £	12	98⅛	99⅛	−0⅛	−1⅛	14.29
Swed. Ex. Cr. 15¼ 85 £	20	102⅛	103	+0⅛	−1⅛	14.33
Banobras 8¼ 90 KD	7	†89½	90	0	0	10.01
CCCE 8¼ 91 KD	10	†82½	83	0	0	11.05
Sonatrach 8½ 90 KD	12	†92	92½	0	0	9.82
Akzo 9¾ 87 LuxFr	500	88	89	−0½	−1⅛	11.82
Euratom 9¾ 88 LuxFr	500	89⅛	90⅛	−0⅛	−4	12.01
Eurofima 10½ 87 LuxFr	500	95⅞	96⅞	+0⅛	−1⅛	11.28
EIB 9¾ 88 LuxFr	600	90⅛	91⅛	−0⅛	−3⅛	11.74
Volvo 9¾ 87 LuxFr	500	89⅛	90⅛	0	−1⅛	11.94

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bank 5¼ 87	0¼	98½	99	2/7	16⅛	16.50
Bank of Montreal 5¼ 90	0⅛	99¾	100¼	18/6	19⅛	19.52
Bank of Tokyo 5¼ 89	‡0⅛	99¼	99⅞	25/4	19.31	19.53
BBL Int. 5 88	0⅛	98¾	99¼	20/5	16⅛	16.67
Bergen Bk. A/S 6 88	‡0⅛	†98⅞	99⅛	29/5	17⅛	17.38
BNP 5½ 88	‡0⅛	99½	100	29/4	18.69	18.73
CNT 5¼ 86	§0⅛	99	99½	16/4	13⅛	13.35
Christiania Bk. 5½ 91	‡0¼	97½	98	5/5	17⅛	17.19
Citicorp O/S F. 84	‡0	99	99½	31/3	16.81	16.94
C. Itoh 5¼ 87	0¼	99⅛	99⅝	18/3	12⅞	12.95
Co-operative Bk. 6 86	0⅛	97½	98	15/5	15⅛	15.60
Den Norske Credit 6 90	0⅛	98⅛	98⅝	5/5	17⅛	18.94
Genfinance 5¾ 87	0⅛	98⅞	99⅜	30/4	15⅛	15.28
Giro und Bank 5¼ 91	±0⅛	98⅞	99⅜	23/3	20⅛	20.33
GZB 5½ 89	‡0⅛	98⅝	99⅛	1/5	17⅞	18.05
Ind. Bank Japan 5⅛ 87	0¼	98⅝	99⅛	15/4	13.31	13.46
Ind. Bank Japan 5¼ 88	0¼	98½	98¾	9/4	13⅛	13.32
Lloyds Eurofin 8 90 £	0⅛	96⅝	97⅛	3/7	14½	14.96
Lloyds Eurofin 5¼ 92	0⅛	98⅛	98⅝	4/6	17⅛	17.53
LTCB Japan 5⅛ 86	0¼	100⅛	100⅜	13/8	20.19	20.09
Man. Hanov. O/S 5¼ 94	‡0⅛	98⅛	98⅝	30/5	17	17.36
Midland Intl. Fin. 5 89	0⅛	99⅞	100⅜	30/6	19.56	19.54
Midland Intl. Fin. 5¼ 92	0⅛	98¼	98¾	5/6	17.19	17.45
Nacional Fin. 6¼ 86	0⅛	98⅞	99⅜	25/7	17⅛	17.51
Nat. West. 5¼ 94	§0⅛	97½	98	14/4	13⅛	13.53
Nat. West. 5¼ 92	§0⅛	97⅞	98⅜	23/4	13.69	13.99
Nippon Credit 5¼ 87	0⅛	99⅜	99⅞	6/5	17.44	17.52
Sparebanken 6 87	0⅛	98⅛	98⅝	19/6	19⅛	20.10
Standard Chart. 5¾ 90	0⅛	98⅜	98⅞	6/3	12.06	12.19
Svenska Hndlsbk. 5 87	0⅛	99⅛	99⅝	15/7	17.81	17.97
Bq. Ex. d'Alg. 4¾ 88 SF	0¼	†90⅛	91	18/8	7⅛	8.28

Average price changes... On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Bow Valley Inv. 8 95	4/81	23.12	99⅛	100⅝	−0⅛	28.69
Canon 6¾ 95	1/81	829	112	113	−0⅛	8.07
Credit Suisse 4¾ 93	10/79	1278	96	98	+2⅛	−7.81
Digicon Fin. 8½ 95	10/81	29.6	97½	99	−1½	8.84
Enserch Fin. 9¼ 94	7/80	30.25	162⅛	163½	−4	−3.72
Hanson O/S Fin. 9½ 95	1/81	1.32	105⅛	106⅛	+0½	−2.86
Ina Overseas 8¾ 2000	4/81	42	99⅛	100⅛	+0⅛	8.22
Inchcape Ltd. 8 95	2/81	4.55	91⅞	92⅝	+0⅛	0.81
Jaccs 7½ 95	11/80	565	131⅛	132⅛	+0⅛	4.90
Marion Int. Fin. 9 95	12/80	23.26	86½	88	−0⅛	65.80
Matsushita El. 7¾ 95	11/80	590	101	102	−0	4.07
MEPC 8¾ 96	2/81	2.47	98⅛	99⅞	−0⅛	12.83
Niigata Eng. 7½ 96	1/81	327	101⅛	102⅛	−0⅛	4.08
Nissho-Iwai Co. 8 96	10/80	398	91⅞	92⅞	+0⅛	−1.40
Ricoh 6¾ 95	8/80	604	113⅞	114⅞	+0⅛	0.98
Sumitomo M. Ind. 7 95	2/81	181	110⅛	111⅛	+0⅛	3.91
Swiss Bk. Cpn. 6¾ 90	9/80	200	94⅛	95⅛	+0⅛	14.76
Taylor Woodrow 8¾ 90	1/81	4.94	95⅞	96⅞	−1⅛	3.24
Transco Int. 8¾ 95	2/81	58	89	90½	+0¼	29.49
Tricorp 8½ 95	12/80	31.25	92½	94	−0⅛	8.85
Union Bk. Switz. 5 88	2/80	121.4	82½	84⅛	+1⅛	−13.79
Fujitsu 5 84 DM	7/79	431.5	131⅛	132⅛	+1⅞	2.53
Sharp Cpn. 6½ 88 DM	9/80	586	143⅛	144⅛	+0⅛	−2.21
Uny Co. 6½ 85 DM	11/79	967.3	107⅛	108⅛	−1⅛	11.46

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

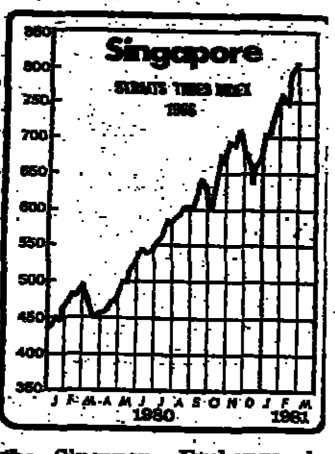
Singapore shares hit record levels

By Georgie Lee in Singapore

THE SINGAPORE Stock Market has broken through the 800 index barrier for the second time. It reached a record level yesterday with the Straits Times Industrial Ordinary Index hitting 809.58 by the close of trading, for a rise of 17.78 points. The index rose above 800 for the first time last Friday, when it touched 805.4.

The upsurge in prices over the past few months has been accompanied by an increasing volume of transactions. For the past month, daily turnover on the exchange has hovered around 15m units valued at between S$70m to S$95m (U.S.$33m to U.S.$45m). For most of last year daily turnover was less than 10m units at considerably lower values.

The volume figures exclude transactions on the Kuala Lumpur Stock Exchange in Malaysia which, together with



the Singapore Exchange, is essentially one market because of the common listing of stocks.

At yesterday's level, the Straits Times index has doubled over a 15-month period. During the same time the New York Dow Jones Industrials Index has risen by approximately 19 per cent, the London Financial Times Industrial Index by 21 per cent and the Tokyo Dow Jones Index by 11 per cent. The Sydney All Ordinaries Index has fallen by 3 per cent.

The Hong Kong Hang Seng Index also doubled during the period, making the Singapore and Hong Kong exchanges the best performers among some of the key financial centres of the world.

Apart from the effect of the buoyant Singapore and Malaysian economies, and sparkling corporate performances, the Singapore Stock Exchange has over the past year benefited from a considerable influx of foreign funds, particularly from the UK, the rest of Europe, the U.S., Hong Kong and Indonesia.

Foreign fund managers, which hitherto had seldom looked at the Singapore market, have been attracted.

The market rise has also been helped by spiralling real estate values in Singapore and also, to some extent, in Malaysia. In an asset-conscious market, this has been a significant factor.

Foreign investors have had the added bonus of a relatively strong Singapore dollar.

Boom in South African property lifts Liberty Life

BY DES KILALEA IN JOHANNESBURG

LIBERTY LIFE Association, the South African life insurance group, enjoyed a boom year in 1980, with total income rising 42 per cent to R299m ($380m), while total assets increased from R1bn to R1.39bn. Strong growth in the life fund meant taxed earnings for shareholders of R18m compared with R14.6m in 1979. Dividends for the year were increased from 100 cents to 120 cents a share.

Net premium income advanced by 44 per cent to R213m from R148m while investment income from the R1.3bn portfolio rose by 36 per cent to R83.5m. Total new premium income written during the year was R100.6m, against R58.8m, of which R48.5m was recurring.

For Liberty Life, 1980 was a period of expansion with the development of life insurance interests in North America and the UK, via the acquisition of holdings in Montreal Life of Canada and Sun Life of the UK. Liberty's 19 per cent stake in Sun Life is the largest individual shareholding and cost the group £27.5m.

At end-December the company's life fund had a total value of R1,076m compared with R769m a year earlier.

The group's asset base expanded significantly in property which enjoyed a boom in South Africa during 1980. Mr. Donald Gordon, the chairman, says Liberty's property portfolio increased by 58 per cent, or R132m in 1980 to R360m. In addition Liberty now controls South African Colliery Tavistock.

The group also holds 18.25 per cent of Guardian National, one of South Africa's largest short-term insurers and a member of the Guardian Royal Exchange group. The company was formed last year through a merger of Guardian and Union National South British Insurance Company. It had a difficult six months to end-December with high fire loss claims and continued increases in motor claims experience causing a R976,000 underwriting loss. Management said it was one of the worst business periods for short-term insurers.

With an unhealthy climate in the short-term insurance industry, the directors warn that the abandonment of important underwriting principles warrants a need for a return to more realistic pricing. The alternative, they say, is that some companies will be endangered and thereby threaten the survival of the industry.

However, strong growth in investment income and higher annualised life premiums meant the group earned 20.1 cents a share for the six-month period to end-December and is paying 12 cents in dividends. The company's year-end has been changed to June following the merger.

Malaysia returns to Euromarket for $400m

By Peter Montagnon, Euromarkets Correspondent

MALAYSIA is returning to the Euromarket for the first time since 1979 to raise $400m which will be used to finance parts of its five-year economic development programme. It has awarded a verbal mandate on very fine terms to a group of five international banks.

The conditions, which have still to be formally ratified by the Finance Ministry in Kuala Lumpur, call for a two-tranche operation. One, for $300m over ten years, will bear a margin of 3/8 per cent for five years, rising to 1/2 per cent thereafter.

The other is a $100m tax-spared tranche at a small margin, believed to be only 1/16 over Libor. Tax-spared credits traditionally carry such microscopic spreads because they are designed to allow banks registered in the UK to derive considerable fiscal advantage from the double taxation agreement between the UK and Malaysia.

The terms proposed put Malaysia clearly into the same category as such highly-favoured European borrowers as Sweden and Spain. But because of its oil wealth and stable political situation, as well as the infrequency of its borrowings, Malaysia has always been able to obtain very favourable conditions on its Euromarket borrowings.

The five banks involved are Bank Bumiputra, Bank of Tokyo, Gulf International, Lloyds Bank International, and Manufacturers Hanover.

Lower Swedish bank earnings

BY VICTOR KAYFETZ IN STOCKHOLM

SWEDEN'S largest commercial bank, PKbanken, reports a 29 per cent decline in operating profit from SKr 758m to SKr 545m ($117m) for 1980. The result represents a recovery over the eight-month performance which showed earnings running 49 per cent behind at SKr 269m.

The state-owned bank, whose Board proposes an unchanged dividend of SKr 10 a share, has nonetheless returned earnings below the average for Swedish commercial banks. For example, Skandinaviska Enskilda Banken (SEB) reported a 5.4 per cent earnings decline to SKr 804m and Svenska Handelsbanken (SHB) a 13 per cent fall to SKr 827m, in each case on total assets somewhat smaller than those of PKbanken.

PKbanken attributes the setback to its greater dependence on deposits from the general public and the higher proportion of revenues deriving from net interest income.

Income at PKbanken rose 1.2 per cent to SKr 1.93bn while costs climbed 20.4 per cent to SKr 1.39bn. The latter included a 9 per cent rise in staff costs and a 30 per cent increase in reimbursements to the post office administration. PKbanken was originally formed through the merger of the postal bank and another state bank. Sweden's post offices provide many of PKbanken's customer services.

Bank lending increased by 13 per cent, bringing PKbanken's share of total Swedish bank lending up from 17.4 to 17.7 per cent on an annual average basis. Total assets at year-end stood at SKr 77.78bn ($16.7bn), against SKr 76.65bn for SEB and SKr 70.21bn for SHB.

Hong Kong scheme for share disclosure attacked

BY KEVIN RAFFERTY IN HONG KONG

MARKET REACTION has been almost unanimously hostile to the plans of the Hong Kong Government to bring in legislation forcing companies to disclose the holdings and dealings of officers and shareholders owning more than 10 per cent of a Hong Kong-registered company.

Brokers predicted that there would be a flight of business from Hong Kong if the measures went through. Alternatively, shareholders would take refuge behind intricately organised foreign nominee companies, it was suggested. The brokers protested that it was against the prevailing Chinese culture to disclose shareholdings in detail.

But Mr. Uisdein McInnes, the Commissioner for Securities, repeated that Hong Kong was simply coming into line with practices in every other international stock exchange. In Singapore, another predominantly Chinese state, he pointed out yesterday, the disclosure ruling for major shareholders started at 5 per cent.

In spite of the hostile reaction, the stock market recovered yesterday, and the Hang Seng Index put on almost 40 points to close at 1459.85 after several successive days of decline. But analysts said the improvement was brought about by the moratorium on new share issues announced on Monday by the Colony's four stock exchanges. The volume of trading was reduced, at HK$438m (U.S.$80m), which is more than HK$200m down on the daily levels late last year.

The unprecedented moratorium on new issues was part of an attempt to halt the faltering performance of the market. A string of new issues, expected because high interest rates, and the need for funds for developments on the Mass Transit Railway system, had meant that shares were being depressed.

Along with the moratorium, the four exchanges decided to restart afternoon trading on four days a week, from next week. Afternoon trading was stopped in November because high turnover caused stockbrokers to fall behind in their paperwork.

RETAIL BANKING CONVENTION

Credit card war of words

BY MICHAEL LAFFERTY IN MONTE CARLO

THE THIRD Convention on Payment Systems and Electronic Funds Transfer, which opened here yesterday, hardly sounds like a function that must be included in every top banker's calendar. Many banks—and the British clearers are a good example — obviously see it as a place to send middle-ranking executives, such as systems and organisations men, as well as some of their marketing experts. The plum junket for most bankers remains something like the IMF or one of the American Bankers' Association's conventions.

In spite of all this, more than 600 bankers from all over the world, including a substantial number of very senior executives, have turned up in Monte Carlo this week, for what has now become firmly established as the world's retail banking convention. They have come because more and more banks are paying greater attention to their retail or consumer banking operations, and are looking to this area, rather than wholesale lending, for increased profitability in the current decade.

But they are also attracted by the increasing internationalisation of retail banking payment systems and the emergence of such organisations as Visa, Mastercard (formerly Interbank), Eurocard, Eurocheque, and the Euro Travellers' Cheque group. Almost daily, one or other of these organisations announces a new recruit to its particular stable of credit cards. Inevitably, there is intense rivalry between the groups, and colour is added by the personalities of some of the leading figures involved.

Mr. Dee Hock . . . high priest of retail banking

Monte Carlo is the outcome of negotiations between a number of European banks, operating through the Euro Travellers' Cheque group on the one hand, and the Mastercard organisation of the U.S. on the other.

The Enruo Travellers' Cheque group is really the third payment cheque system in a family of three, which also includes the Eurocheque, a trans-European cheque guarantee scheme, and the Eurocard, a travel and entertainment card. It is intended to be based on the operations of Thomas Cook, the Midland Bank subsidiary.

Mastercard can be seen as the U.S. opposite number to Visa. At present it has only one system, the Mastercard payments card, and it desperately needs to make up much ground lost over the past few years. In an effort to do this, Mastercard is committed to launching its own traveler's cheque products by the end of this month.

The difficulty between the Europeans and the Americans arises because many of the banks involved in the proposed European traveller's cheque are also issuers of Eurocards, which in turn holds the European franchise for Mastercard. This relationship alone is far from satisfactory, because the products — a mass payment card on the one hand and an up-market travel and entertainment card on the other — are not idealy suitel for reciprocation.

Some European bankers think it would be preferable to merge the two groups in some way so that the Mastercard payment card might serve the mass market worldwide, while Eurocard could become a worldwide travel and entertainment card.

While the convention waits for some resolution of the Mastercard/Euro Travellers' Cheque group affair, delegates will not have time to get bored. Today's speakers include the most star-studded cast yet assembled at an international retail banking convention.

The day begins with Mr. Russell Hogg, chief executive of Mastercard, giving a speech entitled "Regional versus Worldwide Systems"; his performance will probably have a major impact on Mastercard's image with European banks.

The second performer is Mr. Dee Hock, president and guiding genius of Visa. In many respects, he is the high priest of international retail banking payment systems.

The excitement continues with a speech by Dr. Eckart van Hooven, head of retail banking at Germany's Deutsche-Bank, and very much the father figure of the European payment systems movement. He will advocate "cooperation between banks," though probably not with the Americans.

JOBS COLUMN

Not just what you do, but how you convey it

BY MICHAEL DIXON

JOHN CLIFFORD is the managing director of Clifford's Dairies. Gordon Carter runs two small businesses, respectively called Westminster Glass and Secondary Windows.

Both men are continually on the lookout for useful recruits, and therefore scan each of the unsolicited applications for work which these days swell employers' mailbags. Both are also among the readers who have commented on the Jobs Column's argument 10 days ago that jobless executives' prospects of re-employment will depend increasingly on their being able to define their work skills, in the sense of what they are capable of doing so as to benefit an employing concern.

Gordon Carter agrees. "I find it difficult to discover people to whom I can offer engagement," he writes. "Many work applicants just have no idea of their own value as people, consequently they have even less real idea of a contribution they might be able to make to a potential employer."

But Mr. Clifford disagrees. "As a 'consumer' of job applications I immediately reject ones which catalogue management skills or generalised experience without giving any hard information on actual jobs held—i.e. job title, industry/company, salary level. I judge an application on the career progression shown in a *curriculum vitae* and the relevance of the applicant's particular experience to our own industry/company, and ignore all reference to 'skills' and 'achievements'."

With respect to the M.D. of Clifford's Dairies, however, I feel he has missed the main point of the argument about the need to define one's basic work skills.

John Clifford can be represented as the chief engineer in charge of an established organisational machine. As such he believes he knows what kinds of extra or replacement cogs are needed to make the machine operate more efficiently or extensively.

So when he is scanning application letters, it seems reasonable to suppose that he is essentially looking to see if the applicant will fit productively into his machine. No doubt the best evidence of that lies, as he suggests, *in how* the applicant has functioned in which kinds of organisation in the past.

But it seems likely that there will be fewer and fewer opportunities for people to find long-term employment as managerial or specialist cogs in established organisations, such as Clifford's Dairies, producing and supplying established products and services. The advent of the new technologies and increased competition for world trade from countries less hampered by traditional institutions, surely suggest that the survival of older industralised countries as mixed economies will depend on greatly increased innovative activity.

This in turn suggests that where human effort is concerned, the increasing demand will be for people able to make some productive contribution to various small, and often short-lived organisations striving to develop, provide and market new products and services. And whether people are able to earn their living in this way will depend primarily on whether they can accurately define and describe to others what they are basically capable of doing.

One example

At the risk of tempting fate, let us take the example of someone made redundant after 21 years working as a journalist on printed publications. If he thinks no more deeply about the nature of his occupational skill, he will probably see his prospects of skilled re-employment as limited to work on another publication or in public relations. And if he sends a list of the journalistic jobs he has held in which publications to—say—Clifford's Press and PR, its managing director will be able to tell from that list whether or not the applicant is worth interviewing.

But since journalism of the printed variety and public relations both seem to be contracting trades, it may well be that no opening is available in either. So what does our poor (and, *I hope, hypothetical*) creature do? He is unlikely to gain much from sending his list of journalistic jobs held to other kinds of employer. All they will know about what journalists really do, is that it is of no use to them.

If, on the other hand, our example defines his skill more accurately; he may realise that he is basically a communicator in written English. And having realised that, he need not look far for evidence that a great variety of employing concerns could benefit by someone with that skill, and set about selling himself to them accordingly.

That is the way in which the ability to define and describe basic capability seems likely to be increasingly important to jobless executives. But it is no use their thinking that once they have defined their skills in a way that is meaningful to themselves, all they need to do is to send off that same definition to a potential employer. If they simply do that—as many appear to—then the employer is surely justified in rejecting them instantly, as witness three samples of recent speculative applications received by John Clifford.

"A practical and profit-orientated executive, my career includes spells with companies in engineering, retailing and leisure, which give me experience of providing internal *consultancy services, controlling* staff departments, and participating closely with operating management in researching, planning and implementing development projects and acquisitions," gabbles one.

"Personal involvement at decision-making levels has shown me the merit of setting out company objectives and the skills needed to realise profits, now and in the future. I can forecast, set realistic targets and be responsible for achieving them. I can plan the organisation of departments and make them operate successfully. I can motivate specialist functions into a cohesive management team. I work well under pressure," brags another.

"My sound knowledge of all aspects of business operations, including cost accounting, has been of particular value in fulfilling my responsibilties in engineering, production, research and marketing at senior levels. My career has intimately involved me in company development and re-development, by technical innitiation (sic) of new product lines, carrying through feasibility studies both technical and financial, together with planning of marketing strategy," witters the third.

Flatulent

Whatever such effusions may do to indicate one promising field of employment for our hypothetical communicator in written English, they do nothing for the job prospects of the applicants who penned them. Even if the writers themselves know what it is they are trying to describe, which I cannot be succeeded only in smothering it with flatulent jargon. They have failed utterly to place what they can do in a context where their capabilities could be seen to be relevant, let alone beneficial, to the profitable day-to-day running of Clifford's Dairies, Gordon Carter's two companies, or any other real-life business.

The plain moral is that if a speculative job-application is to do any good, the person writing it must not only know what he or she can do, but also describe it in terms and with examples which clarify its potential value to the particular employer to whom the letter is sent. That requires careful research into the business of each employer one intends to approach, which is hard work. But there is no avoiding it if the exercise is to be anything other than a waste of everyone's time.

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COMPUTER AUDITOR

C. London — c £12,000 + benefits

A major international bank is currently seeking to expand its EDP department. A high calibre Auditor with in-depth computer knowledge is required to join the department's five analysts and four programmers. As well as possessing familiarity with EDP systems the successful candidate must also have programming experience. Applicants should be aged 26-35 and, although not necessarily qualified, possess up to 3 years experience of auditing EDP systems.

INTERESTED IN TAX?

Herts — £11,500

A major US group, one of the leaders in its field, seeks a qualified accountant with a good grasp of taxation matters. The post will attend to the UK companies' taxation affairs and undertake personal tax duties. Other duties will include managing the group's UK insurance matters, assist in the management of the pension fund and monitor the application of accounting procedures. Relocation assistance given.

Lee House, London Wall, London EC2Y 5AS Tel: 01-606 6771

ROBERT HALF

Accountancy & Financial personnel specialists

Senior Foreign Exchange Dealer — £15,000 neg.

A senior dealer with sound experience in an active dealing room operation is required by a leading international bank to take responsibility of the dealing room reporting directly to the Foreign Exchange Manager.

Foreign Exchange Dealer — £10,000 neg.

An excellent opportunity for a dealer with a minimum of 2 years experience in major currency exchanges and arbitrage to join a small active team in a profit centred dealing room.

A Currency Deposits Dealer is also required for a similar situation to £14,000.

Lending Officer — c. £13,000

A recently established and fast expanding marketing team is seeking an additional member to promote trade finance and corporate finance. Fluent French and sound credit background are necessary requirements.

Lending Officer — £ neg.

A strongly capitalised small bank with L.D.T. status in London whose main interests are traditionally in the Middle East and Western Asia, are seeking a marketing executive with knowledge and experience of India and Pakistan to operate from London. Ideally a graduate with international bank training.

Talk to Sheila Jones on 588 3991/3/5.

Computer Programmer — £10,000

An international bank requires a highly trained operator with banking background and experience in RPG2, IBM 34 who is able to go in and cope from day one — Challenging.

Graduate Computer Programmer — to £10,000

With a knowledge of COBOL Language, is required by a City bank. Not necessarily a banker but with the ability to transfer into banking terms.

Talk to Sheelagh Marwood on 588 3992/4/6.

OLD BROAD STREET BUREAU LIMITED

STAFF CONSULTANTS

109 OLD BROAD STREET LONDON EC2N 1AP — 01-588 3991

DIRECTOR PROPERTY FINANCE

Seymour Adelaide & Co. Ltd. is the leading UK specialist in arranging and advising on finance for the property industry. The company requires an individual with a good financial background and preferably with experience of property finance as a lender or consultant to assist in, and accelerate, the expansion of its activities. The successful applicant will be expected to work on his/her own initiative and it is intended that he/she will ultimately be appointed a director of the company. The appointment carries a substantial salary and profit-sharing package.

Applications, which will be treated in the strictest confidence, should be submitted with full details of past experience, to:

The Managing Director,
SEYMOUR ADELAIDE & CO. LTD.
88 Baker Street, London W1M 1DL

ACCOUNTANTS for BUSINESS SYSTEMS DEVELOPMENT

LONDON, S.E.1. — UP TO £14,000 + CAR

A medium-sized group involved in a range of printing, publishing, distributive and service activities, seeks an accountant with a considerable EDP bias. The successful applicant, who will report to the Head of Finance, will:

- Critically appraise existing business systems throughout the group
- Identify improvements required
- Carry out feasibility studies
- Develop new or upgraded systems
- Be responsible for efficient implementation, including full user support and training.

Age is of less importance than the depth of relevant systems experience. There are genuine prospects for development into senior financial management positions.

Please send a comprehensive career résumé, including salary history, quoting ref. 1097/FT to G. J. Perkins.

Touche Ross & Co, Management Consultants

Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011.

Bank Operations Officers

United Arab Emirates c. £16,000 tax free

Our client, an expanding locally incorporated commercial bank in the U.A.E., now wishes to appoint one, or possibly two Operations Officers for their larger branches.

Candidates, aged 28 to 35, should ideally be Associates of the Institute of Bankers, and have at least five years experience in all aspects of operations from within large branches of a commercial bank. Clearly some experience of working in the Middle East, or elsewhere overseas would be a distinct advantage.

The benefits package will include a starting salary of around £16,000 depending on experience, six weeks annual leave, air fares each year, free married furnished accommodation, medical treatment and a car allowance.

Please write in confidence, initially with brief details, quoting reference 1111 to John Anderson, as adviser to the company, at:—

John Anderson & Associates

Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ.

Banking Personnel

CREDIT ANALYST

Age: 24+ — c. £10,000

This outstanding opportunity calls for a bright ambitious young analyst with at least 2 years experience (which should include Country risks) to join the new City Office of a leading European Bank. Career prospects are excellent for somebody with enthusiasm and ability, and the position offers ample scope for the exercising of personal initiative and judgement.

Please contact TREVOR WILLIAMS on 01-588 0781.

INTERNAL AUDIT

Age: 25–30 — c. £9,000

Your comprehensive knowledge of international banking procedures (inc. Loans, Bills, FX, Accounting etc.) could qualify you as a serious contender for this excellent career opening with an expanding International Bank. Ideally you should have obtained your A.I.B. or an equivalent qualification, but good practical experience and some knowledge of auditing techniques are of greater importance.

Please contact MARK STEVENS on 01-588 0781.

These are just two of the many excellent career openings for which we are currently retained. For further details please ring for a confidential discussion with one of our consultants.

41/42 London Wall, London EC2. Telephone: 01-588 0781

David Grove Associates
Bank Executive Recruitment
60 Cheapside London EC2V 6AX
Telephone 01-236 0640

LENDING OFFICER — EUROPE	£16,000+
EUROBOND DEALER	c.£12,000
FX/DEPOSIT DEALER	c.12,000
VAT CONTROLLER	£10,000
INSTITUTIONAL BOND SALES	c.£9,000
DOCUMENTARY CREDITS — SUPERVISOR	c.£7,500
EUROBOND SETTLEMENTS	to £6,500

PLEASE CONTACT NORMA GIVEN OR STEPHEN LAWSON ON 01-248 1858/9.

David Grove Associates
Bank Executive Recruitment
60 Cheapside London EC2V 6AX
Telephone 01-236 0640

BANKING/CLERICAL

FOREIGN EXCHANGE SUPERVISOR — c. £10,000

Person required with 3-5 years Foreign Exchange experience to join old established Merchant Bank. Candidates must have previous supervisory experince.

SYSTEMS ANALYST — c. £9,500

This is a new position offering challenge and potential for the right candidate. Person will be responsible for the on-going development, the writing of programs and development of computer programme from a package base.

ACCOUNTS SUPERVISOR — c. £8,500

Major European Bank require an experienced Bank Accounts Clerk to supervise their expanding accounts department.

PLEASE CONTACT JOAN MENZIES ON 01-248 1858/9.

Corporate Lending

Major Merchant Bank — to £19,000 plus car

Our client, a major Merchant Bank and in turn part of one of the City's largest financial groupings, have a well developed Corporate Lending side covering all aspects from venture capital through to multi-million syndicated loans. They provide both Loan and Equity Finance.

They seek to appoint an additional Assistant Director to take charge of a section of the bank's business and to lead a team of Executives.

Ideally, the person appointed will be 30-38, an A.C.A. or A.I.B. and have at least five years' experience of Corporate Lending. He/she will need the depth and technical ability which can only be gained in a major House combined with a flair for negotiation, motivation, etc.

Inclusive salary will be in the range £16,000 to £19,000, plus car, subsidised mortgage and other Banking benefits.

Please write with full details to: Colin Barry at Overton Shirley & Barry (Management Consultants), 2nd Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Telephone: 01-353 1884.

Overton Shirley and Barry OSB

EMA

CHARTERED ACCOUNTANT

Major International Bank

London — c£11,000 + bonus + low-cost mortgage

Morgan Guaranty Trust Company of New York, a leading international corporate bank, is looking for a qualified accountant for a new position that has arisen in the Auditing Division.

The successful applicant will have the responsibility for the introduction of new methods for the financial and systems audits of major areas of the bank. There will be considerable scope for personal contact with all levels of management, and the experience gained over the assignment of about 3 years will form the basis for excellent career opportunities in the bank.

The ideal applicant will have qualified within the last 2 to 3 years with a large professional firm. In addition to a salary of c£11,000, the attractive fringe benefits include low-cost mortgage facilities, an annual bonus, free life assurance and medical schemes, a season ticket loan and subsidised lunch facilities. Please telephone or write to Stephen Blaney B.Comm., FCA quoting reference I/2055.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

Export Finance Executive

LONDON

Our client is a well regarded foreign owned bank in London. It provides a wide range of financial services to UK customers, concentrating particularly on export finance.

Planned expansion of this activity has led to the requirement for a specialist to join the management team. The role will be to develop innovative export financing techniques and thus increase both the range of services available to customers and to increase the customer base.

The candidate will be aged 32-37 and already be thoroughly experienced in ECGD and other government subsidised programmes. In addition, credit and marketing skills will be mandatory. The candidate will probably already be in a similar role, but this position offers the opportunity to develop both techniques and the market, which will not necessarily be confined to the UK. The appointee will be expected to build a team as well as develop a long term career within the bank.

Please apply in writing to David Dale quoting reference 1200. All replies will be treated in the strictest confidence until otherwise instructed by candidates.

Odgers MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St, London W1X 3TD 01-499 8811

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

HEAD OF CORPORATE FINANCE £15-20,000	Professionally qualified, seasoned merchant banker to develop merger/acquisition business at expanding City merchant bank. Age 30-40.
V.-P. LENDING German-speaking £16-20,000	Aged 29-34, with English mother-tongue and U.S. bank background including credit training & marketing experience in German-speaking Europe.
VICE-PRESIDENT FINANCE & ADMIN. £17-22,000	For U.S. bank; A.C.A., aged 30+, with substantial international banking experience including Accounts/Operations/Computer Development.
A.C.A.: CORPORATE FINANCE £8-10,000	Leading Accepting House seeks graduate Chartered Accountant, aged 25-28, for career opening in Corporate Finance Dept.
A.C.A.: AUDIT to £12,000	Chartered Accountant, 25-29, with p.q.e. in audit, for International Audit team of major U.S. bank. 60% travel.
INVESTMENT ADVISERS Gulf based. Negotiable.	To monitor and advise on management of substantial international investment portfolios, covering fixed interest, equities and currencies. Age 25-30.
CREDIT ANALYST to £8,000	Aged mid-20s, for major U.S. bank. Minimum 1 year's U.S. bank credit training essential. Promotion route to marketing.
No. 2 F.X. DEALER £10-12,000	Two international banks each seek an F.X. Dealer, with several years' all-round experience, as No. 2 in small but active trading rooms.

For further details, please telephone Kevin Byrne or Brian Gooch.

First floor—entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

FINANCIAL ANALYST

Planning and Capital Expenditure Appraisal

W. London Qualified Accountant or MBA up to £10,500 + car

THE APPOINTMENT is with a company which is part of a world-wide corporation with interests in a variety of fast-moving consumer goods. Turnover and market share have increased dramatically in recent years and a policy of further aggressive expansion is being adopted.

THIS APPOINTMENT is a key role within the Financial Controller's department. The successful candidate will be involved in planning, including the five-year and annual plan, marginal contribution and overhead analysis and balance sheet forecasting; capital expenditure appraisal covering a wide variety of projects; competitor and customer analysis; and a broad range of ad hoc projects.

CANDIDATES should have an understanding of investment appraisal techniques. Personal attributes must include flexibility, creativity, the ability to work to tight deadlines and acceptability at senior management level. Excellent career opportunities are available.

Please apply to Nigel Halsey.

Chichester House, Chichester Rents, London WC2A 1EG. Tel: 01-242 5775

Career plan LIMITED PERSONNEL CONSULTANTS

BANKING OPPORTUNITIES

SENIOR DEALER c. £14,000
No. 2 in department, all currencies and Euro dollar deposits.

FX DEALER c. £12,000
5 years' dealing experience, all currencies.

BANK MANAGER c. £10,000
Good all-round experience.

JUNIOR DEALER c. £8,000
1 year exp. dealing, currencies, dollar deposits and arbitrage.

BANK MANAGER c. £7,000
Signature authority at Head Office level. Experience M.T.s/T.T.s, 1 year contract.

Contact Miss Bryceson 01-638 1491

ALANGATE BANKING & FINANCE EMPLOYMENT AGENCY

RECENTLY QUALIFIED ACCOUNTANT

with commercial/industrial experience required by an expanding and successful house building group operating in the Home Counties. Reporting to the finance/commercial director he/she will be responsible for all accounting functions and management information. Fully computerised systems are operated on an in-house computer. The right candidate will be self-motivated and have the ability to grow with the position to eventually take a board appointment.

Please forward full c.v. to Box A7446, Financial Times 10 Cannon Street, EC4P 4BY

CAPEL-CURE MYERS

A message from our Gilt Department

- We have an extensive and well-established institutional client list.
- We have economic and technical research back-up services specially designed for the department's operations. These include our own monetary (and non-monetary) economists, a portfolio strategy system and actuarial skills.
- Our team is a small, tightly-knit group who enjoy working together, but are greatly in need of reinforcement. Basically, we have an urgent need for three more people to join us in order to bring our strength up to our client servicing and development requirements.
- Two experienced Gilt practitioners (the more experienced the better) and a young trainee with real potential would meet our needs.
- There are no obstacles to the rapid advancement of those who join us. This is not simply a matter of enlightened self-interest on our part. It is also because we are organised on the principle that merit must be generously rewarded, that people coming into the business must be assured of a satisfying career and that "on-the-job" success is as important as formal qualifications.
- We are therefore happy to offer realistic and highly competitive rewards including Partnership status where appropriate.
- If you have the technical skills necessary for successful gilt switching, can analyse and discuss major trends in the economy and the gilt market with a range of institutional clients, giving good, well thought out advice, we would like to hear from you. If, moreover, you are ambitious for a satisfying and highly-rewarded career as a Gilt Edged Stockbroker, we believe we can offer an excellent *environment for your success — an important role in a successful and strongly-motivated* Gilt Department.

Telephone John McGregor, in the strictest confidence, on 01-236-5080, or write to him at Capel-Cure Myers, Bath House, Holborn Viaduct, London EC1A 2EU.

Young Accountants
Finance / Administration Role as . . .
GENERAL MANAGER

Isle of Man Age 27-33 £12-15,000 p.a. (Tax at 20% max)

Our client is a small, successful and rapidly expanding company providing a full range of investment management services on an international basis. The company is part of a larger investment and banking group.

The General Manager will assume control of all financial and administrative aspects of the company's operations, assisted by a small and able team. A major task will be the development and implementation of an integrated and computerised accounting and management information system.

Candidates must be qualified accountants (pref. ACA) aged in their late 20's or early 30's with sound technical skills and a flair for administration. A good understanding of systems and the ability to relate effectively to others are important attributes.

Written applications enclosing a c.v. should be forwarded, in confidence, to Anthony J. Forsyth, B.Sc., Douglas Llambias Associates Limited, 410 Strand, London WC2R 0NS quoting reference 3190.

DOUGLAS LLAMBIAS
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants

and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

YOUNG ACCA
MEET A REAL CHALLENGE WITH RESPONSIBILITY IN OIL

C. £11,000 LONDON

Use your broad technical knowledge and sound commercial experience to move into a role which allows you to demonstrate your full potential. Join a young company operating internationally in the oil industry and take charge of their day to day financial accounting activities.

Supervising a small team of part qualified staff, you will set up new systems and control and continually improve on existing procedures to ensure an effective and efficient accounting service.

The Company is currently using computer batch facilities but is due to go on line later this year. You should therefore be sufficiently experienced to assist with the implementation of this changeover.

Ideally between the ages of 26 and 32, you will work in a dynamic but sociable atmosphere and can enjoy good prospects within an expanding organisation. In addition to salary, benefits include non contributory pension scheme, BUPA, life assurance and free lunches.

To apply please telephone or write to Mrs. Sue Jagger at Cripps, Sears and Associates, Personnel Consultants, Burne House, 88/89 High Holborn, London WC1V 6LH. Telex No: 893155. Telephone: 01-404 5701 (24 hours).

(The above position is open to both men and women.)

Cripps, Sears

Senior Appointments in Investment Management

London and Manchester Assurance, an established and successful Life Company, is active in its traditional Home Service Market and expanding further into unit-linked and pensions business.

The central administrative functions relocated to purpose-built headquarters near Exeter and the remaining Investment Management functions will join them this summer.

These two new senior appointments will play a vital role in the continuing development and implementation of the Group's Investment Policy.

Fund Manager

He or she will lead a small team managing a range of funds totalling *approximately £150 million. Close liaison* with management colleagues marketing policies linked to these funds and the responsibility for making presentations to clients add a demanding and rewarding extra dimension to this role. A degree and/or relevant professional qualification *with at least five years' broadly based* investment experience are essential.

Economist

You will monitor major economies throughout the world and the UK *economy in more detail. Studies of* individual industries will be required and your recommendations will play an important role in the formation of overall investment policy. A formal qualification in economics supplemented by relevant experience, preferably gained in a financial environment, is required.

A commensurate remuneration package includes a car, concessionary mortgage facilities, private health insurance, a first-class pension scheme, and generous relocation assistance.

Set in 35 acres of its own grounds four miles from the city of Exeter, the Chief Office complex provides a superb working environment, with the opportunity to reside on the coast, in the country or in the city.

Please write with comprehensive details to: A. D. Burke, Assistant Manager (Personnel), London and Manchester Assurance, Winslade Park, Exeter EX5 1DS.

Alternatively, if you would prefer an initial confidential discussion, telephone Ian Henderson, General Manager (Investments), on Exeter (0392) 52155 on Friday 6 March.

London and Manchester Assurance

OVERSEAS INVESTMENT SPECIALIST

CITY OF LONDON

UP TO £14,000 p.a. + benefits

The job is managing overseas equity portfolios. This will not only include the selection of stocks within foreign markets and their day-to-day management but will also require a direct involvement in the assessment of the relative merits of foreign markets including currency evaluation. The ideal applicant will be about 30 years of age with a degree or appropriate professional qualification and have about five years' relevant experience.

The salary, environment and conditions of employment are exceptional.

Please write to:—

Investment Manager
LONDON LIFE ASSOCIATION LIMITED
80 Coleman Street, London EC2R 5AD

THE METALS SOCIETY
appointment of
DIRECTOR

The premier international learned society in the metals industries wishes to make the appointment of Director.

The Director will be required to take general responsibility for the Society's activities in publishing, computerised information systems, and conference management, and particular responsibility for creative initiatives to secure the long-term future of the Society against the background of a sound financial base and in the context of the changing needs of the metals industries and those who work in them.

The appointment is for a term of three years. Candidates should be technically educated and have a record of successful top management in an enterprise which has encouraged the attributes of imagination, leadership and high performance. While experience in the metals industries is preferred, competent knowledge of them is acceptable. Salary and conditions of engagement are negotiable. **Applications should be addressed to Dr. H. Darnell OBE, The Metals Society, 1 Carlton House Terrace, London SW1Y 5DB, and marked personal.**

INTERNATIONAL TREASURY MANAGEMENT

London c. £17,500 + Car

Our client is a major US multinational having extensive interests in Europe and engaged in engineering manufacture and sales. This key position carries responsibility for treasury activity in a region covering Europe and the Middle East.

Applicants will be expected to have already gained significant experience in the treasury area, with primary concentration in international cash management, financing and foreign exchange. Reporting directly to the United States, the position is based at European Headquarters in London, with an acceptable level of travel to mainly European locations.

The successful candidate will be a British citizen with 3-5 years' of progressive treasury experience with a major multinational corporation or banking organisation. An MBA or relevant university degree is required.

This is a challenging opportunity with good prospects for future development and the negotiable salary is backed up by a full range of benefits. This position is open to male and female applicants. Qualified applicants should forward sufficient details of themselves to make an application form unnecessary. As all replies will be forwarded unopened to our *clients, please enclose a separate letter indicating companies your application should not* be forwarded to. Quote Ref: 829 on envelope and address replies to Mr. L. R. Bugden, Managing Director.

Clifton-Donkin

Clifton-Donkin Ltd. (Recruitment Consultants),
Malcolm House, 12 Orange St, Haymarket, London WC2.
Telephone: 01-839 2445 (24 Hr.)

Financial Planning Manager

Europe

£14,000 + Car

Pitney Bowes Ltd. is part of a Multinational Group, manufacturing and marketing Business Systems and Mailing Equipment, which has a turnover in excess of £550m.

Internal promotion has created a unique opportunity in our European Headquarters and we require an ambitious qualified accountant with broad experience and proven management ability.

Reporting to the Director of Finance Europe, he/she will assist in the development and implementation of European Financial Plans to ensure the best usage of Company assets in order to meet corporate objectives.

Candidates must also have an imaginative *approach to profit improvement* and the business acumen to negotiate financing arrangements for acquisitions and new ventures.

Occasional travel in Europe will be necessary and a knowledge of German is desirable. Career prospects are excellent and fringe benefits include non-contributory pension scheme and BUPA.

Applications to B. D. Ridgway, Personnel Manager, Pitney Bowes Ltd., The Pinnacles, Harlow, Essex CM19 5BD.

PitneyBowes

Chief Accountant (German Speaker)

£12-£14,000 + car S.E. London

Our clients, Grundig International (UK subsidiary of Grundig A.G.) sell a wide range of sophisticated leisure and business equipment, spare parts and service, to some 2,000 retail distributors throughout the UK and Ireland.

A mature, qualified Accountant who seeks full involvement, is required to assume the duties of Chief Accountant. With full responsibility for an Accounts Department of 20, he or she will report to the Financial Director. Candidates must be fluent in English and German, possess at least three years line experience in commerce/industry and have the ability and personality to communicate effectively at senior level. Those below the age of 35 are unlikely to have the requisite management experience.

Salary is negotiable and the package includes excellent benefits.

Please write or telephone to D.G. Muggeridge (Ref. 6554).

Mervyn Hughes Group
2/3 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants
01-404 5801

SENIOR MANAGEMENT MARKETING EXECUTIVE

Our client is a major international company in the service field and Brand Leader in the highly specialised area of its operations in the UK in which this vacancy occurs.

This key appointment is a challenging and highly-demanding career opportunity and the successful candidate will report direct to the Chief Executive. Outstanding personal qualities together with an established track record in senior management and practical profit-responsibility experience in every aspect of product research and development and in the complete spectrum of sophisticated marketing activities are essential. The direction and control of advertising and promotion and the co-ordination of profitable sales performance at area, regional and national level would also fall within his or her range of responsibilites, as well as budgetary planning. Salary is negotiable and location would be in the London area.

This position is open to male and female applicants and all correspondence will be treated as strictly confidential. Full career details should be forwarded care of Adam West at GGA Ltd, St. John's House, Queen Street, Manchester M2 5JB. If there are any companies to whom your details should not be given, please state this in your covering letter.

هكذا من الأعمال

GGA

Top Executives

Our clients find better opportunities. Are you interested?

If your talents are being wasted, or your ambitions thwarted, we can help. Our highly skilled career management counsellors have all been engaged in a Top Management role. They understand your problems. After evaluating your true potential through discussion and analysis, they work with you through all stages of the job search until you find that better opportunity that is just right for you. Most of these better opportunities are never advertised.

We have an acknowledged standing in the employment market and an outstanding track record of success. That's why we're confident that after a preliminary discussion you will appreciate why we are able to offer the special sort of help that you need. So why not ring us today.

MINSTER EXECUTIVE LTD. 28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309/1085

هكذا من الأصل

FINANCIAL CONTROLLER

LONDON, W.1. £15,000 (NEGOTIABLE) +CAR

This appointment arises within a profitable group of companies whose £7m turnover includes a significant export content. The group, which services the needs of professional photographers, is vertically integrated with activities ranging from manufacturing to retailing.

The Financial Controller will report to the Managing Director. In addition to being responsible for all aspects of accounting and finance, he/she will be expected to play a positive role in the management team. Success in this latter role could lead to a directorship.

Applicants should be qualified accountants in the 35-50 age range, preferably with experience of small computer systems.

Please send a comprehensive career résumé, including salary history, quoting ref. 1096, to G. J. Perkins

Touche Ross & Co, Management Consultants
Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011.

ISLE OF MAN

A Cayman trust company owned principally by international banks seeks for its subsidiary in the Isle of Man:

QUALIFIED ACCOUNTANT

Position would suit applicants with up to five years' post-qualification experience, particularly in the financial field.

PARTLY QUALIFIED ACCOUNTANT

Position would suit applicants who have not completed their examinations but are generally experienced in financial matters.

Duties include dealing with the general accounting and banking operations of the Group and the preparation of financial statements for client companies.
Mortgage facilities and other benefits are available.
Please write with details of experience, qualifications, etc., to:

Box A7431, Financial Times, 10 Cannon Street, EC4P 4BY

Manufacturing Director

Consumer Products

Scotland **c.£20,000**

An outstanding individual both in terms of experience and personal qualities is required for this exciting and extremely demanding position. The Company style requires a doer who can also take the long term view. A leader in its industry, the Company is international and has an outstanding reputation for the quality and style of its product. The Manufacturing Director has total control from material sourcing through planning, production, manufacturing services and distribution.

To succeed in this role and to provide the potential looked for in future development you should be male or female, aged 30-40 with engineering or one of the sciences as an original discipline and have had experience both of line management and a staff role for example in production planning or industrial engineering. You must also have had direct industrial relations negotiating experience. The job and Company will appeal to individuals who are very self sufficient, highly ambitious and who enjoy the stimulation of taking total accountability. Salary will not be a barrier in making the right appointment and career opportunities are wide open internationally.

Write or telephone for an application form or send brief c.v. to the address below, quoting ref: AA45/7600/FT on both letter and envelope, and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants.

PA Personnel Services

Hobart House, 80 Hanover Street, Edinburgh, EH2 1EL. Tel: 031-225 4481. Telex: 72556.

PA

A member of PA International

Export Finance Project Officer (Group HQ)

Our expanding Group Export Finance Department is responsible for negotiations with Banks and ECGD for the provision of export credit and insurance. It establishes individual and Corporation liability to overseas taxation and is responsible for the operation of financial agreements and overseas bank accounts and ensuring exchange control regulations are adhered to.

We require a Project Finance Officer to be involved in these activities and to undertake negotiations with ECGD, Bankers and customers' representatives on specific projects. The Project Officer will also provide specialist support to Divisional Commercial and Sales Departments in the drafting of financial clauses in contracts and sales proposals.

The work will also involve initiation and amendment of letters of Credit, financial agreements and delivery and recovery of bank guarantees.

Applicants for this interesting position will ideally be in their early thirties, having good all round experience of ECGD and banking negotiations, together with appropriate qualifications. Candidates should be willing to travel in the UK or abroad when required.

The salary level is negotiable at around £11,500 pa, subject to the level of immediate contribution. The other terms and conditions of service are appropriate to a major concern, including generous relocation assistance where appropriate.

Please apply giving details of age, current salary and a current CV, to:

Mr A Wardman FIPM, Head of Recruitment Services (Ref D272),
The Personnel and Training Department,
British Aerospace Dynamics Group,
PO Box 19, Six Hills Way, STEVENAGE, Herts.

BRITISH AEROSPACE DYNAMICS GROUP
at Stevenage

BRITISH AEROSPACE

Unequalled in its range of job opportunities.

Merchant Bank Directors

As a result of the next phase in our policy of expansion, opportunities will arise in the near future to join the board of Gray Dawes Bank Limited.

The successful applicants will have a wide experience gained either in banking or with a city firm of accountants or solicitors.

In addition to technical ability they will be required to demonstrate that they have a flair for innovation and developing new business.

The people for whom we are looking should merit a seat on the board or be capable of achieving promotion to it within two years.

An excellent salary is negotiable, together with the usual benefits.

Apply in confidence to:

The Managing Director (Ref: BD),
GRAY DAWES BANK LIMITED,
40 St Mary Axe, London EC3A 8EU

TREASURY MANAGER

International Cash Management

c.£10,500

Our client is a U.S. based international company with substantial and expanding interests in electronics and related high technology industries. Recent organisational developments have identified the need for a specialist to concentrate on international cash management and be based at their European Corporate Headquarters in Basingstoke, Hampshire.

Reporting direct to the Controller, Marketing and Finance, you will be responsible for the management and co-ordination of the treasury function throughout the Europe, Middle East and Africa operating area. Specific responsibilities will be for policy implementation, procedural guidelines and the supervision of banking relationships, credit control, insurance programmes and entity financing needs.

This influential position requires a man or woman with the credibility of accepted banking or accountancy qualifications and a broad financial background, ideally in a multi-national environment, either in industry or commerce.

An excellent remuneration package, including relocation assistance if appropriate, is just one of the benefits offered by a company fully equipped for the challenges of the future.

*Please write in strictest confidence with sufficient information to make an application form unnecessary to **Tim Davies,***

*Macmillan Woolf Personnel Consultants,
The Wash,
Hertford, Herts. SG14 1PU*

Macmillan Woolf Personnel Consultants

MANAGEMENT ACCOUNTANT OIL INDUSTRY

London **£12,500—£15,000**

Our client is a major U.S. corporation engaged in the exploration for and production of oil and gas on a worldwide basis.

Highly successful in its development of the North Sea oil fields, the company enjoys dynamic management which ensures its continued rapid growth. Reporting to the Financial Services Manager, the successful candidate will assume responsibility for budgets, cash flow and other forecasts, monthly performance reviews and financial evaluations of new projects.

Candidates, m/f, should be qualified accountants, aged 27-35 and must have had experience of the oil industry either as an external auditor or through employment in that sector.

For further information and a personal history form, contact Richard Norman F.C.A., 410, Strand, London WC2 0NS. Tel: 01-836 9501, or John Lamb M.A., A.I.P.M., 26, West Nile Street, Glasgow G1 2PF, Tel: 041-226 3101, quoting reference 3132.

DOUGLAS LLAMBIAS
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants
and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

DLA

R-H

FOREIGN EXCHANGE DEALERS

Our client, an established International Bank, is seeking dealers for their expanding dealing room.

SENIOR DEALER

To assume responsibility for a new spot dealing section and establish the Bank as a market leader. Suitable candidates will have a minimum of 5 years trading experience gained in an active dealing environment.

FORWARD/ARBITRAGE DEALERS

With 3 years+ trading experience the successful candidates will join an existing team and prospects are good for the right applicants.

Both positions offer competitive salaries commensurate with ability.
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TELEPHONE: 01-606 6771.

ROBERT HALF
Accountancy & Financial personnel specialists

Career Opportunity in Eurobonds

We require a young man or woman aged 20-25 years to join our international bond dealing team.

Ideally, applicants should have experience of economics or statistics, not necessarily in the investment field.

The position requires the ability to research and express ideas lucidly in writing and orally, together with a capacity to work under pressure.

Commencing salary would be negotiable and our package of benefits includes subsidised mortgage, non-contributory pension scheme, free life assurance and BUPA, luncheon vouchers and staff restaurant.

Please apply in writing, giving full details of your career to date, to:—

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Kleinwort, Benson Limited,
P.O. Box 560, 20 Fenchurch Street, London EC3P 3DB.

KLEINWORT BENSON
Merchant Bankers

LAURENCE, PRUST & CO.

SENIOR INSTITUTIONAL EQUITY MARKETING EXECUTIVES

We are looking for two high-calibre marketing executives with at least ten years' experience, to reinforce and expand our institutional equity marketing effort. The people we seek will be capable of assimilating and communicating our research product, which has a high reputation for quality and originality. They will be expected to make a positive contribution to the development of the department. We put considerable emphasis on collaboration between our research and marketing teams.

These are senior appointments, for which the rewards will be fully competitive and the prospects are excellent. Applications, which will be treated in the strictest confidence, should be accompanied by a detailed curriculum vitae and addressed to Mr. Dan White, Laurence, Prust & Co., Basildon House, 7-11 Moorgate, London EC2R 6AH.

PERSONNEL INTERNATIONAL BANKING

c. £11,000 + benefits

Our client is a well-established City international bank whose firm commitment to an aggressive expansion programme has identified the need for an experienced person to augment its Personnel team.

At Assistant Manager level, one's principal involvement will embrace recruitment, training, manpower planning/budgeting and general administration in respect of a growing staff complement in London and abroad. One would also be expected to undertake various *ad hoc* projects and to make a professional contribution to the Personnel aspects of the bank's overall development.

The appropriate candidate is therefore seen as someone who has built up sound Personnel experience within international banking and is now looking to extend his/her responsibilities with a rapidly expanding organisation.

Please telephone Ann Costello or John Chiverton A.I.B.

JOHN CHIVERTON ASSOCIATES LTD.
31, Southampton Row, London, W.C.1. 01-242 5841

The European Division of a prominent American high technology group (T.O. £200M) requires a:—

Financial Controller (Europe)

This is an exciting opportunity brought about by the rapid growth of the company's subsidiaries in Europe (T.O. £60M). The company itself is involved internationally in high technology instrumentation and communication projects.

A high level of professional and managerial ability is required to re-organise and consolidate the financial management of this Division. Linguistic ability is required with fluent French and good German and/or Italian. At least 3 years involvement in high technology industry, ideally electronics, is also required, together with a professional knowledge of computer based financial management.

There is an excellent career potential within this widespread group, with a generous remuneration package related to experience.

West London **Age 30-40** **Salary circa £18,000**

Applicants matching these requirements should contact me as soon as possible quoting WB.

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Attractive remuneration package embraces base salary, mortgage allowance, free lunches, non-contributory pension scheme and BUPA.

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International Appointments

Advertisement of Vacancies

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3. Assistant Project Manager—(about 5 years working experience is necessary).
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6. Distribution Superintendent/Engineer—(not less than 5 years experience is required).
7. Meter Superintendent—(5 years relevant experience is necessary).
8. Mechanical Superintendent—(should have not less than 5 years relevant experience). In all cases a good knowledge of English language will be required.

Qualifications required, conditions of service and terms of reference of the assignment may be obtained on written request from the undersigned or from the Nigerian Offices in the United Kingdom, Ireland, Germany, India, Pakistan, Sweden, and the United States of America.

Interested candidates who must have internationally recognised qualifications should forward their original applications to reach the above stated Nigerian Missions abroad; and duplicate copies of the applications to the under-mentioned, not later than 45 days from the date of this publication:

Secretary,
Anambra State Water Corporation,
P.M.B. 1296,
3 Constitution Road,
Enugu, Nigeria.

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Married status to $36,000 p.a. + substantial benefits

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For further information write with brief details of career to date or better still telephone today between 9.30 am and 7.00 pm on 01-631 4411 to T. Read at Moxon Dolphin & Kerby Ltd., 178-202 Great Portland Street, London W1N 5TB. Quoting ref: 2106.

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Manpower Consultants Limited
24 BERKELEY SQUARE, LONDON W1X 6AR

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01- 637 7604

Financial Controller
South Africa R.30,000+

The CompAir Group is a major manufacturer of compressed air equipment with four manufacturing companies in the UK and eighteen fully owned subsidiaries overseas.

A Financial Controller is required to manage the financial activities of the Group's fully-owned subsidiary in South Africa. CompAir South Africa, a principal company in the Group's international operations, is based near Johannesburg. The Company has a turnover in excess of £10 million and is involved in the manufacture and distribution of a wide range of compressed air products.

Reporting directly to the Managing Director, the Financial Controller will play a major role in managing the business and should have had substantial experience in management and financial accounting, preferably in a manufacturing environment.

This is a permanent appointment and should appeal to candidates aged 35-45, willing to emigrate to South Africa.

The salary will be at least R.30,000 per annum, plus a company car, which will enable an extremely attractive standard of living to be achieved.

Full details of qualifications and experience should be sent to:
M.B. Edwards, Director of Organisation Development, CompAir Limited, Brunel Way, Slough, Berkshire, England. SL1 1XL.

CompAir

International Bond Portfolio Manager

An expansion of the activities of N.M. Rothschild Asset Management Limited, the wholly-owned subsidiary of N.M. Rothschild & Sons Limited, necessitates the appointment of an experienced executive for its Investment Department. The post, which will be based in London, may involve the successful candidate in substantial international travel in the course of managing fixed-interest multi-currency portfolios. The post demands a person capable of working effectively within a highly professional team operating in a challenging environment.

Applicants, who will probably be aged between 25 and 30, must have experience in the currency and fixed-interest field, together with a competent knowledge of international fixed-interest markets. In addition, they should possess a good university degree and the ability to communicate ideas and views to clients and colleagues convincingly.

The appointment will be rewarded with a highly competitive remuneration and benefits package.

Please write with full details of career to date to:
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N.M. Rothschild & Sons Limited

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for
PARIS
Attractive salary +1st Class benefits

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The work involves management reviews of the company's operations throughout Europe reporting directly to the New York Head Office.

A working knowledge of Spanish or German is essential as also is the ability to communicate with all levels of management.

The appointments are viewed as long term career opportunities with excellent prospects.

To apply please telephone or write, quoting reference 4055.

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Finance Director

A well known overseas Indian manufacturing and trading group with a turnover of US$ 200 million p.a. with offices in Hong Kong, London and New York wishes to appoint a Finance Director who would be stationed at any of the above-mentioned offices to suit the individual's convenience. The group manufactures a leading brand of apparel in the Far East and markets them in various countries, especially in the USA; their business interests include apparel, general trading and real estate.

The Finance Director who will report to the Managing Director, will be responsible for all accounting functions which include long term financial planning, financial analysis, examining diversification proposals, etc. He will also advise on currency and related considerations in international business.

~ Essential Requirements ~

- Mature qualified accountant or business post graduate who has spent minimum 5 years with a professional firm of Accountants and thereafter worked in a substantial organisation with sophisticated account systems.
- Accountants currently in practice and who have achieved a senior level in the profession.
- Ability to improve current management reporting and control systems.
- Good knowledge of international finance.
- Age around 40 years with leadership qualities.

The remuneration package will be worked out with the selected candidate and be generous in comparison with the ruling rates prevalent at the location chosen for the Finance Directors operations.

Interested candidates should send brief but comprehensive details with photograph within 15 days to:
Lovelock & Lewes (MCS-333), Mahindra Spicer Building, 15, J N Heredia Marg, Bombay 400 038

Hong Kong ~ London ~ New York

THE MIDDLE EAST

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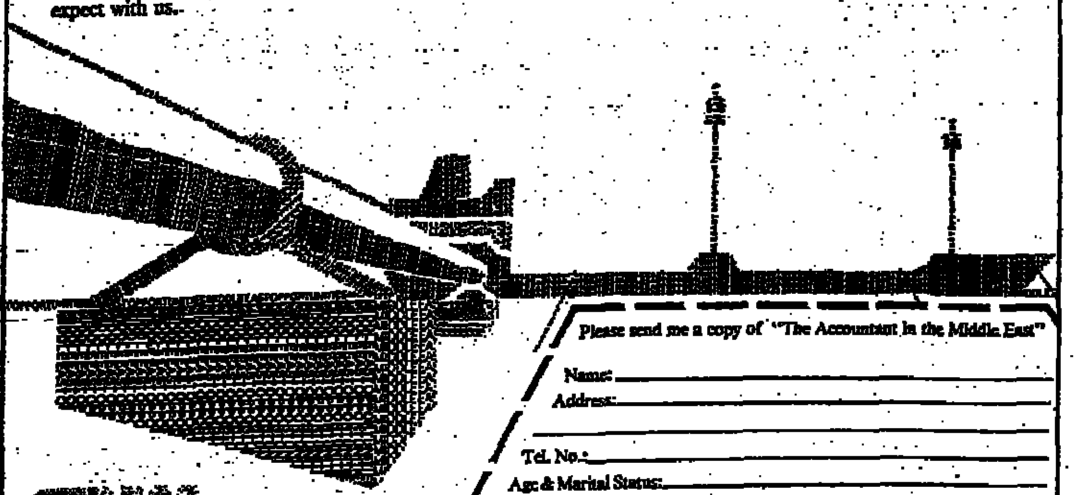
If you are a qualified accountant who wishes to be better informed, write now for a copy of "The Accountant in the Middle East". Fill in the coupon below or telephone Hugh Urry, Ernst & Whinney, 57 Chiswell Street, London EC1Y 4SY — 01-628 6088.



Please send me a copy of "The Accountant in the Middle East"

Name: ____________________
Address: ____________________
____
Tel. No.: ____________________
Age & Marital Status: ____________________
Qualification and date: ____________________
Nationality: ____________________

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Applicants must have an industrial/commercial background and some experience of international trade, finance and banking procedures would be advantageous.

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ITM CORPORATION LTD
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Contact:—
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Send résumé with photograph in confidence to:
Globe Plan SA, Av. Mon-Repos 24, 1005 Lausanne, Switzerland.

WORLD STOCK MARKETS

Early Wall St. rally of 5.8

BOOSTED BY institutional *bargain hunting, Wall Street* showed some improvement early yesterday after Tuesday's setback, with strength in the Steels and some Energy issues bolstering key indices.

The stock market was helped at the outset by a credit market rally, but interest rates firmed again after the early decline.

The Dow Jones Industrial Average, which slipped almost *12 points the previous day, was* 5.85 firmer at 971.87 at 1 pm. The NYSE All Common Index recouped 31 cents at $75.14, while gains held a seven-to-six ratio edge over declines. How*ever, the trading pace slowed to* 32.65m shares from the heavy 40.85m registered at 1 pm on Tuesday.

Among Blue Chips, **General Motors** hardened ¼ to $49¼, **American Telephone** ⅛ to $51¼, **Eastman Kodak** ½ to $78, **General Electric** ¼ to $65⅜, **International Paper** ⅜ to $46¼, **Merck** 1½ to $84⅜, **Du Pont** ¼ to $48 and **Minnesota Mining** ⅜ to $62½.

Precious Metal *shares eased* on falling Bullion prices. **ASA** shed ½ to $43½, **Campbell Red Lake** ⅜ to $46½, **Homestake** ⅜ to $47⅞ and **Benguet Consolidated** ¼ to $7.

Hammermill Paper rose 2⅜ to $34¼. **Sorg Paper** 1½ *to $17½* on the American Exchange, **Stone Container** 1¼ to $28⅜ and **St. Regis** ⅞ to $39. Analysts have been recomending Paper shares because of expectations that ris*ing demand will outpace capacity* growth.

THE AMERICAN SE Market Value Index registered a rise of 0.79 at 337.87 at 1 pm after turnover of 3.05m shares (3.35m).

Volume leader **International Banknote** put on ¼ to $2⅞. **Syntex** 1⅝ to $80¼. **Houston Oil** 1½ to $50⅜ and **Resorts International "A"** 1¼ to $27⅞. Resorts was the subject of favourable Press comment.

TII Industries continued to rise on news of a 10-year $125m contract from **American Telephone**, *adding $3 at $27½ after* Tuesday's advance of $4⅞.

Canada

Stocks were mixed but with a firm bias at noon following *moderate activity. The Toronto* Composite Index, down 12.1 on Tuesday, picked up 3.0 to 2,170.8. Golds regained a further 18.5 to 3,716.2, while in Montreal, Banks firmed 0.62 to 402.68 and Papers 1.33 to 250.52.

Alcan rose ⅜ to C$41, **Gulf Canada** ¼ to C$24⅜ and **Royal Bank**, which reported higher first-quarter earnings, ⅛ to C$59⅝.

Abitibi was unchanged at C$32. Olympia and York is bidding C$32 a share for Abitibi.

George Weston, which reported higher year earnings, gained ⅜ to C$32½.

C and C Yachts was up 15 cents to C$4.50. Great Lakes Airlines is bidding C$5 a share for C and C.

Tokyo

Shares presented a mixed appearance after fairly active trading. The Nikkei-Dow Jones Average shed 2.73 to 7,134.39, but the Tokyo S.E. Index improved 1.29 to 510.19. Falls narrowly led rises on the First Market section by 335 to 317 following volume of 340m shares (300m).

Some Light Electricals eased slightly after recent strength, but **Victor Japan** climbed Y130 to Y2,830 and **Matsushita Communication** staged a fresh advance of Y150 to Y2,640.

Construction issues like **Maeda, Okuma** and **Shimizu** moved ahead on expectations that the Japanese Government would step up public works spending in the near future. **Maeda Construction** put on Y33 to Y658.

Steels, Heavy Electric Machines and Shipbuildings gained ground on buying my major securities companies because operators think there will be a cut soon in the Official Japanese Discount Rate. **Toshiba** rose Y7 to Y237, **Hitachi** Y3 to Y337, **Mitsui Shipbuilding** Y3 to Y180 and **Nippon Kokan** Y2 to Y150.

Precision Instruments tended to ease, but Motors were mostly higher. **Canon** receded Y13 to Y835, but **Honda Motor** firmed Y12 to Y557.

Singapore

Encouraged by a glowing report on the Singapore economy in 1980, buyers sent most stock prices ahead in relatively active trading, with all sectors improving. Malaysian Industrials turned in the best performance. The Singapore Straits Times Industrials index advanced 17.78 to a new all-time peak of 809.58.

Fraser and Neave gained 35 cents to S$6.00 and **Haw Par** 16 cents to S$3.44.

Hong Kong

Shares generally rebounded in another moderate business after recent weakness, but failed to retain the day's best levels. The Hang Seng index, after retreating 112 points over the past four trading days, recovered 39.82 to 1,459.85. There was an overall turnover of HK$427.48m on the four stock exchanges, against Tuesday's HK$443.77m.

Stocks improved after opening higher on overnight buying in London, but fresh liquidations near the close brought shares down from the day's highs. The mood of the market remained cautious on news of the moratorium on new share issues and of the pending legislation on disclosure of shareholdings.

Jardine Matheson, HK$22.10, recouped 60 cents of the previous day's fall of 80 cents, while **HK Land** rose 50 cents to HK$11.20, **HK Bank** 40 cents to HK$21.30 and **HK Wharf** 40 cents to HK$8.70.

Outside the leaders, **Sun Hung Kai Properties** put on 50 cents to HK$16.60, **Trafalgar** 30 cents to HK$6.35 and **Green Island Cement** HK$2.50 to HK$65.00.

Germany

Bourse prices were inclined to slip back from an initial fresh improvement to close with mainly narrow mixed movements. However, the Commerzbank index, which is based *on prices* taken before the close, was 4.7 higher at 674.6.

After Tuesday's sharp gains, **Deutsche Bank** rose DM 2.70 more and **Dresdner Bank** added DM 1.50, but *Commerzbank* reacted DM 1.

Steels were notable for **Thyssen**, up DM 2.10 at DM 73.30, and **Mannesmann**, DM 2 firmer.

In Stores, **Karstadt** improved to DM 183, but came back to DM 180, off DM 1 on the day.

Public Authority Bonds were mixed to lower, with movements in the range of 10 pfennigs up to 60 pfennigs down. The Bundesbank sold DM 11.9m of stock after selling DM 2.6m on Tuesday.

Australia

Following the recent fall by Resources shares, markets made a *steadier showing* yesterday as selling abated and overseas bargain hunting took place, encouraged by the overnight rally in the Bullion price. The Australian All Ordinaries index recouped *3.2 at 645.8.*

BHP, down 40 cents on Tuesday, closed 15 cents harder at A$12.40, after sales at A$12.45.

Among Gold Minings, **Central Norseman** regained 30 cents to *A$6.50. GMK 10 cents* to A$6.10, **Emperor** 15 cents to A$2.00 and **Buddha** 10 cents to 80 cents. However, **Amber Gold** lost 11 cents more to 35 cents and **Wattle Gully** receded 8 cents to 32 cents.

The Rumble Oil Shale twins recovered some of Tuesday's losses. **Southern Pacific** rallying 20 cents to A$1.75.

In the Oil and Gas sector, **Woodside** improved 4 cents to A$2.32 and **Hartogen** 20 cents to A$8.50, but **Crusader Oil** declined 14 cents more to A$5.96.

Johannesburg

Gold shares were mainly modestly firmer in very thin trading, continuing the recovery which began late on Tuesday. **West Driefontein** picked up R3 to R75.50.

Closing prices for North America were not available for this edition.

CANADA

Stock	Mar. 3	Mar. 2
Abitibi	31⅞	29¼
Agnico Eagle	12¼	12
Alcan Alumin	40⅝	40¾
Algoma Steel	42½	42½
Asbestos	27¾	28
Bk Montreal	30⅞	31
Bk Nova Scotia	30⅝	30¾
Basic Resources	10¾	11¼
Bell Canada	18⅞	18⅞
Bow Valley	18	18½
BP Canada	42	41¾
Brascan A	32	32¼
Brinco	10⅛	10⅝
B. C. Forest	15½	15¾
CadillacFairview	25⅜	25½
Camflo Mines	33¾	33⅛
Can Cement	13½	13⅝
Can NW Lands	33	33
Can Packers	33¼	33¼
Can Perm Mtg	19½	19¾
Can Trusco	28	28
Can Imp Bank	30⅝	30⅝
Cdn Inds	33¼	33
Cdn Pacific	42¼	43½
Can P. Ent	23¼	23¼
Cdn Tire	31	31
Cherokee Res	8	8⅛
Chieftain	21½	21
Cominco	64½	64¾
Cons Bathst A	26½	26½
Coseka Res	20⅛	20⅛
Costain	9¼	9⅞
Daon Devel	10½	10½
Denison Mines	50	50
Dome Mines	85	84½
Dome Petroleum	77⅛	79⅞
Dom bridge	21½	21½
Dom Foundries A	41	41⅛
Dom Stores	25½	25
Domtar	30	30½
Falcon Nickel	92¼	93
Genstar	37¼	37⅛
Gt.-West Life	235	226
Gulf Canada	24⅝	25⅛
Gulfstream Res	9⅛	9⅜
Hawk Sid. Can	22¾	23
Hollinger Argus	49	48
Hudson Bay Mng	30½	30½
Hudson's Bay	25⅛	25
do. Oil & Gas	22⅞	23

Indices

NEW YORK —DOW JONES

	Mar. 3	Mar. 2	Feb. 27	Feb 26	Feb. 25	Feb. 24	1980-81 High	1980-81 Low	Since Cmpil't'n High	Since Cmpil't'n Low
●Industr'ls	966.02	977.33	974.58	966.81	954.40	946.10	1004.69 (6/1/81)	759.13 (21/4)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	61.95	62.14	62.04	62.09	62.59	62.61	76.61 (25/6)	60.96 (18/12)	—	—
Transport.	396.27	398.70	392.34	390.52	383.73	383.61	425.68 (28/11)	235.89 (27/3)	425.68 (28/11/80)	12.23 (8/7/32)
Utilities	108.08	108.11	106.43	105.49	105.41	106.69	117.81 (5/1/81)	95.04 (27/5)	163.32 (20/4/69)	10.5 (28/4/42)
Trading Vol 000's	48,730	47,710	53,210	60,300	45,710	48,960	—	—	—	—

●Day's high 982.01 low 961.65

	Feb. 27	Feb. 20	Feb. 13	Year ago (approx)
Ind. div. yield %	5.66	5.87	5.37	6.02

STANDARD AND POORS

	Mar. 3	Mar. 2	Feb. 27	Feb. 26	Feb. 25	Feb. 24	1980/81 High	1980/81 Low	Since Cmpil t'n High	Since Cmpil t'n Low
Indust'ls	148.24	150.12	149.27	147.30	146.03	144.60	160.96 (28/11)	111.09 (27/7)	160.96 (28/11/80)	3.52 (30/6/32)
Composite	130.56	132.01	131.27	130.10	128.52	127.38	140.52 (28/11)	98.22 (15/2/80)	140.52 (28/11/80)	4.40 (1/6/32)

	Feb. 25	Feb. 18	Feb. 11	Year ago (approx)
Ind. div. yield %	4.46	4.67	4.67	5.07
Ind. P/E Ratio	9.11	9.11	9.07	8.04
Long Gov. Bond Yield	12.75	12.68	12.81	12.61

COMMODITIES AND AGRICULTURE

Commodity lawyer to head CFTC

By Paul Betts in New York

A CHICAGO lawyer with considerable experience in commodity futures has been chosen by President Reagan to head the Commodity Futures Trading Commission (CFTC), the U.S. Government agency which regulates futures trading.

The decision to nominate Mr. Philip Johnson, a partner in the law firm of Kirkland and Ellis and the leading outside counsel to the Chicago Board of Trade, was welcomed by the industry. It has widely criticised the CFTC in the past for interfering too much in commodity futures trading.

Commodity traders believe that under Mr. Johnson, the CFTC will adopt a more tolerant character. Mr. Johnson, 42, is known to hold the view that the commodity industry should regulate itself whenever possible.

Mr. James Stone, the former CFTC chairman, had come under heavy criticism from the industry for intruding too much in its affairs. At the same time, the CFTC had been criticised over its handling of last year's silver crash.

Although Mr. Johnson is a highly respected commodity lawyer, his nomination could involve him in conflict-of-interest problems. As the Board of Trade's chief legal adviser he has acted on behalf of the exchange in its pleadings before the agency he will now head.

But Mr. Johnson indicated that he would excuse himself on matters for which he represented the Board of Trade or the Commodity Industry Association.

Mr. Johnson's appointment is a further indication of President Reagan's desire to seek to reduce as much as possible the regulatory shackles facing American industry.

Osaka to double titanium output

TOKYO—Osaka Titanium is to double its titanium sponge production to 24,000 tonnes a year in two years to cope with growing domestic and overseas demand.

The company plans to start construction of a Y12bn (£26m) factory which will have a capacity of 5,000 tonnes by the end of this year, and an additional 7,000 tonnes towards the end of 1982, bringing capacity up to 12,000 tonnes.
Reuter

Cocoa agreement talks to reconvene

BY JOHN EDWARDS, COMMODITIES EDITOR

FURTHER CONFUSION was added yesterday to this week's London talks seeking to clear the way for a new international cocoa agreement, when the Ivory Coast called for an *ad hoc* committee to be set up to reconsider the price range agreed at the negotiations in Geneva last November. As a result the talks on a new agreement are to be reconvened on April 6-10.

After the Geneva conference the Ivory Coast refused to join the planned cocoa pact on the grounds that the "floor" and "ceiling" price range of 110 to 150 cents a pound was too low.

In contrast, the U.S. refused to join the agreement because it considered the price range to be unrealistically high. Many other consumer countries, including Britain, are known to share this view.

The current price is 94 cents a pound reflecting the continued surplus of supplies available.

However, while U.S. membership of any cocoa agreement is not considered to be essential, it is difficult to visualise any viable pact without the Ivory Coast, the biggest world producer.

Until no wthe Ivory Coast has resolutely refused to join the proposed new agreement, despite considerable pressure to do so from its fellow producers and the UN Conference on Trade and Development.

It has turned a deaf ear to arguments that implementation of the agreement should mean a rise in cocoa prices to at least the "floor" of 110 cents a pound as a result of support buying by the buffer stock fund. This was built up to over $230m by the levy on exports imposed under the previous agreement which collapsed last March.

Instead Ivory Coast has preferred to act independently and continue selling at well below 110 cents, while at the same time threatening to create a stockpile of its surplus production as a means of raising market prices.

The feeling yesterday was that Ivory Coast's request for a special committee was an advance on its present adamant refusal even to consider joining the agreement.

For the moment, it seems that the agreement provides one of the main hopes of restoring cocoa prices to more reasonable levels for producers.

Community reduces sugar export levy

BY OUR COMMODITIES STAFF

EXPORT AUTHORISATIONS rose at yesterday's weekly EEC sugar export tender in Brussels following a sharp cut in the export levy.

Licenses were issued covering 82,200 tonnes of white sugar, up from 75,650 tonnes last week. The minimum levy was reduced to 0.065 European currency units from 4.31 ECUs a week earlier.

The increased authorisation encouraged a fall in prices on the London futures market. The August position, which reached £25 5a tonne around lunchtime, ended the day £2 down at £251.375 a tonne.

Traders said the authorisations total was slightly higher than expected. The fall in gold also influenced the down trend in the market.

The export tax set by the Commission was the lowest since last July. It results from the decline on the world market which has reduced the gap between EEC and world prices.

Traders linked the high level of export licences issued with reports that authorisations covering about 350,000 tonnes for March/April export had been cancelled because of the world market decline.

A rise in the market earlier in the day had been influenced by rumours that the Soviet Union had bought up to 150,000 tonnes of white sugar on the world market in recent days, dealers said.

French sugar exports to non-EEC countries totalled 230,657 tonnes in January, down from a record 286,568 tonnes in December, the French Sugar Market Intervention and Regularisation Fund (FIRS) said in its latest monthly bulletin.

Foot and mouth hits Austria

VIENNA—Austrian officials have ordered the killing of 1,800 farm animals in lower Austria to prevent the spread of foot-and-mouth disease.

All public events in the districts surrounding the towns of St. Poelten, Tulln and Krems were cancelled in a further effort to stop the disease spreading.

Cars and people entering or leaving the two villages where cases of the disease were confirmed were being required to drive or walk over special disinfectant carpets.

Veterinarians said the first cases involved five pigs in the village of Kapelln, near St. Poelten. The nearby village of Weissenkirchen was also placed under quarantine as a safeguard.

No cases of human infection were reported.

Officials said it was feared the highly contagious virus might have been spread by travellers at seasonal carnival celebrations.

Among the animals ordered to be killed were 1,700 pigs.

Austria's last case of foot-and-mouth disease was in 1974 —AP.

Moscow in talks with Argentina on grain sales

BUENOS AIRES — Mr. David Lacroze, president of the Argentinian Grain Board, left here for Moscow to discuss the possibility of selling more grain to the Soviet Union.

Moscow is said to want to increase its imports from Argentina — partly to offset the effects of the U.S. grain embargo imposed in January last year in retaliation for Soviet intervention in Afghanistan.

Argentina was the only big grain-exporting country not to back the U.S. sanctions. It is expecting a record harvest this year and looks set to become the Soviet Union's main foreign grain supplier this year.

Mr. Lacroze will discuss in Moscow the possibility of expanding a grain supply pact between the two countries.

The agreement, signed last year, covers maize, sorghum and soyabeans, but not wheat, which the Soviet Union needs to feed livestock.
Reuter

BRITISH POULTRY

Producers seek EEC curbs

BY RICHARD MOONEY

POULTRY PRODUCTION has been one of the main boom areas of Britain's food industry for several years. From being a "high days and holidays" product chicken has climbed into second place in the meat consumption league, still behind beef but well ahead of pork and lamb.

At the last count it accounted for no less than 20 per cent of British meat consumption.

But all is not well in the industry. Continental competition, allegedly heavily subsidised, has depressed domestic prices and many producers are running at a loss.

Poultry producers have developed a highly integrated, high turnover, low margin industry which until recently has worked well. But in the past year their narrow margins have come under increasing pressure.

A year ago a typical oven-ready chicken was selling at about 42p a lb at the wholesale level against a production cost of 37p a lb. Production costs, boosted by soaring feed and energy prices, are now running at about 42p a lb and wholesale prices have slipped to about 37p.

The main reason for this situation, producers claim, is unfair competition.

They point to national aid for Continental producers which is not being matched by the British Government. In addition the strong pound, because of the way the EEC's agricultural monetary system operates, has an exaggerated effect on their export prospects.

Community hygiene regulations, as operated in Britain, also load an extra cost burden on to their shoulders compared with their EEC competitors.

The British poultry industry employs around 40,000 people. Ten per cent of these jobs could be at risk unless action is taken to redress the EEC's competitive balance, the British Poultry Federation warned recently.

In the past year about a dozen of Britain's 140 poultry slaughterhouses have been forced to close. The Federation has warned that another 50 could be driven into bankruptcy if nothing is done.

Mr. Neville Wallace, director-general of the BPF, estimates that about 50 per cent of the problem is attributable to national aids for Continental producers, though he admits that most of these are "perfectly legal."

Production costs in France, Holland and some other European countries are directly reduced by subsidised energy prices while investment costs are eased by direct grants and preferential interest rates.

Halting such aid would reduce the advantage to Continental producers, but it would not eliminate it altogether. They would continue to benefit from the subsidised capital investment already made and this would result in lower overhead and unit costs with which British producers could not compete.

The obvious answer of giving the British aid to match that of their competitors falls down because it would probably result in a further increase in overall production, which would exacerbate the overproduction problem.

These things considered, the BPF's preferred solution is for countervailing duties to be imposed on Continental imports to redress the balance. Alternatively import limits could be imposed.

Mr. Wallace describes the other big problem area, representing an estimated 20-30 per cent of the British producers' disadvantage, as "fiscal."

By this he means the financial complications inherent in EEC membership—the operation of the Green currency system, sluicegate prices etc.

Some of these disadvantages could be eliminated by the countervailing duties but some will necessitate tough negotiations by British representatives in Brussels.

The other 10-20 per cent of the problem Mr. Wallace puts down to EEC poultry hygiene regulations. He claims they are being operated much more stringently and expensively in Britain than on the Continent.

Continental producers, particularly the French, are claimed to have their inspection costs paid by their Governments while the British have to meet the expense themselves. This is estimated to put them at a price disadvantage of up to 5p a lb on their own market.

There have also been complaints about the way the system is operated in Britain. Local authorities, which provide the inspection staff in many cases, run highly inflexible systems which are unnecessarily expensive, it is claimed, and provide the public with no better health protection than the more modest systems operated on the Continent.

These problems add up to a disadvantage British producers cannot live with indefinitely, Mr. Wallace says. "Some of them are only hanging on by the skin of their teeth."

These endangered producers are losing up to 5p a pound on all the poultrymeat they sell, he says, and are only hanging on in the hope that action will be taken to bring the market more into balance.

A lobby of MPs last month received encouraging response, and the gravity of the situation is now widely recognised. The next job is to agree with Mr. Peter Walker, Agriculture Minister, on proposals to correct the situation before it is too late.

"We are not asking for large sums of Government money," says Mr. Wallace. "We just want to be allowed to operate on a free and fair market."

Wheat pact extended

THE International Wheat Council, IWC, yesterday agreed to a two-year extension of its wheat trade convention from July 1, Jean Parotte, executive secretary, said in London yesterday.

The food aid committee should make a similar decision on its convention before a formal conference extends the international wheat agreement itself at a special session on Friday, reports Reuter.

Before this week's meetings some delegates had voiced fears that an extension of only one year might be adopted. They said this coud endanger the size of future contributions under the food aid convention if Government spending cuts were large.

The IWC has also discussed current and next season's supplies of wheat. Indications are that, if weather continues favourable, supplies will reach a record level

AP-Dow Jones reported from Washington: Private U.S. grain companies have resumed wheat sales to Iran that were terminated after Americans were taken hostage in Tehran, an Agriculture Department official said Wednesday.

Richard J. Finkbeiner of the U.S. agricultural department's foreign agricultural service said the Treasury Department recenty published official regulations clearing the way for U.S.-Iran trade normalization. This means "business as usual" as far as sales of grain are concerned, he said.

The Agriculture Department reported the inspection of 25,000 metric tons of wheat at Pacific ports last week before its shipment to Iran.

U.S. to import less meat

WASHINGTON — Meat imports to the U.S. this year are projected at 1.402bn lbs, below the 1.447bn lbs which would trigger import quotas, the Agriculture Department said.

The imports under the Meat Import Act of 1979, which mainly include frozen beef and veal, were initially estimated at 1.458bn lbs, or 11m lbs above the trigger level, by the Carter Administration last November.

But afrter a review by both the Carter and Reagan Administrations, the department said new data on the effects of the drought in Australia indicated that its beef exports would be substantially reduced this year.

Australia normally supplies about half the meat imports subject to the act. Although a drought was in progress at the time of the first estimate, its impact on productifon and exports was "more severe than earlier forecast," further depleting stock inventory levels for this year," said the department.

In addition, lower U.S. prices, higher interest rates and a strong Australian dollar further reduced incentives to produce meat exports for the U.S. market.

There was now no need to impose import restrictions in the quarter beginning April 1, Mr. John Block, Agriculture Secretary, said.

"Our analysis of conditions in this country and abroad affecting meat imports strongly suggests there will be no need for import restrictions for the remainder of the year," he said.

Meat imports under the act last year totalled 1.422bn lbs and in 1979 nearly 1.554bn lbs.
Reuter

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Easier on the London Metal Exchange with the market tending to reflect currency fluctuations. After edging up to £817 in early trading on light speculative interest, forward metal ran into profit-taking and speculative selling prompted by the rise in sterling. This selling was only partly met by trade buying and forward metal fell away to close the late Kerb at £810.5. Turnover: 19,475 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	791.5-3	-2.75	788-9	-4
3 months	815-6	-1.25	811-.5	-1
Settlem't	792	-3	—	
Cathodes				
Cash	789-90	-1	786-7	-5.5
3 months	802-3	-1	798.5-9	-3.7
Settlem't	790	-1	—	......
U.S. Prod	—		*82-4	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £793, 92.5, 92, three months £818, 17.5, 18, 17, 16.5, 16. Cathodes, cash £790, three months £802. Kerb: Wirebars, three months £816.5, 15, 14.5. Afternoon: Wirebars, three months £812.5, 12, 12.5, 11.5, 10.5, 11, 11.5, 12, 12.5, 12, 11.5, 12, 11.5. Kerb: Wirebars, three months £812, 11.5, 11, 10.

TIN—Barely changed, with three months moving in a narrow range prior to closing the late Kerb at £6,170. Turnover: 935 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6030-40	-40	6055-45	-10
3 months	6170-80	-27.5	6165-70	-5
Settlem't	6040	-40	—	......
Standard				
Cash	6030-40	-40	6035-45	-10
3 months	6170-80	-27.5	6165-70	-5
Settlem't	6040	-40	—	......
Straits E.	‡$30.61	+0.18	—	......
New York	—		—	

Morning: Standard, cash £6,035, 30, three months £6,155. Kerb: Standard, three months £6,170, 65, 60. Afternoon: Standard, three months £6,180, 75, 65. Kerb: Standard, three months £6,170.

LEAD—Firmer as heavy borrowing of intermediate dates narrowed the contango to around £8 and lifted forward metal to £334 prior to a close of £330. Turnover: 21,775 tonnes.

Morning: Cash £324, three months £331, 31.5, 32, 33, 34, 33, 32, 31.5. Kerb: Three months £331.5, 31. Afternoon: Three months £330, 29.5, 30.5, 31. Kerb: Three months £331, 30.5, 30.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	323-.5	......	322.5-3	+4.5
3 months	331-.2	-.75	330.5-1	+2
S'ment	323.5	......	—	......
U.S. Spot	—	......	*30	......

ZINC—Little changed in quiet and routine trading which left three months at £339.5 on the late Kerb. Turnover: 8,825 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	331-2	-2.25	328-30	-1.5
3 months	341-2	-3.25	339-40	-2
S'ment	332	-2	—	......
Primw'ts	—	......	*41.5	......

Morning: Three months £342, 41.5. Three months £341.5, 41. Afternoon: Three months £341, 40.5, 40, 39.5, 39, 39.5. Kerb: Three months £340.

ALUMINIUM—Marginally firmer on balance. Forward metal fell to £655 in early trading owing to the rise in sterling against the dollar. Thereafter, currency fluctuations saw the price move up to close the late Kerb at £662.5. Turnover: 9,500 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Spot	643-40	-5.5	650-2	+5
3 months	657-8	-7.75	662-4	+2.5

Morning: Three months £657, 57.5, 57, 58, 57. Kerb: Three months £657, 56, 55. Afternoon: Three months £659, 60, 60.5, 61, 62, 63. Kerb: Three months £663, 62.

NICKEL—A shade higher in routine trading with three months initially easing to £2,810 before rallying to close the late Kerb at £2,827.5. Turnover: 78 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2830-5	-25	2845-50	+10
3 months	2880-5	-25	2835-40	+10

Morning: Three months 2,820. Kerb: Three months 2,825, 20. Afternoon: Three months 2,830, 35. Kerb: Three months 2,830.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 10.55p an ounce higher for spot delivery in the London bullion market yesterday at 540.80p. U.S. cent equivalents of the fixing levels were: spot $11.97, up 40c; three-month $12.471, up 40.9c; six-month $13, up 40.9c; and 12-month $13.86, up 28.6c. The metal opened at 545p-554p ($12.1-12.3) and closed at 525p-534p ($11.55-11.76).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	540.80p	+10.5	528.5p	-8.5
3 months	557.80p	+11.2	545.0p	-7.0
6 months	574.20p	+11.2	......	
12months	606.30p	+11.5	......	

LME—Turnover 123 (87) lots of 10,000 ounces. Morning: three months 553, 52, 60, 59.5, 59, 58, 57, 56. Kerbs: three months 556. Afternoon: three months 546, 44, 43, 45, 44, 45. Kerbs: three months 545, 43, 42, 41.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 124 tonnes bringing the total for the week so far to 468 tonnes. Modest weights changed hands with most attention on Argentine type varieties. Users tended to ignore the falling costs of the raw material and attempted to put down additional supplies particularly in Turkish and Russian styles.

COCOA

Cocoa futures traded uncertainly within a narrow range throughout the day to close with gains of £5.00, as arbitrage buying rallied prices from the lows during late dealings, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
March	852-855	+1.0	862-855
May	919-920	+4.0	926-915
July	945-946	+7.0	950-939
Sept.	968-969	+7.0	973-964
Dec.	999-000	+8.5	002-993
March	1020-22	+10.0	1015-22
May	1035-42	+10.5	1035

Sales: 2,942 (2,804) lots of 10 tonnes.
ICCO Futures—Daily price for March 93.65 (94.01); five-day average 94.88 (95.26).

COFFEE

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1015-16	+7.5	1017-10
May	1035-38	+6.5	1038-30
July	1047-49	+7.5	1049-41
Sept.	1056-58	+5.5	1060-55
Nov	1060-62	+2.0	1062-58
Jan	1060-65	+2.5	—
March	1060-65	-7.5	—

Sales: 1,352 (1,818) lots of 5 tonnes.
ICO Indicator prices for March 3 (U.S. cents per pound): Other Mild Arabicas 125.08 (125.00); Robustas ICA 1976 114.50 (same); ICA 1968 114.75 (same). Unwashed Arabicas unquoted. Comp. daily ICA 1968 unquoted.

GRAINS

LONDON GRAIN FUTURES — Old crops opened 50p up on wheat and 75p up on barley. Aggressive buying rallied the market to trade 60p-70p up on wheat, but selling pressure on the highs eased values to close the day unchanged on May to 30up on March. Barley followed a similar pattern. A lack of buying support on the highs eased values to dip and sellers pushed the market down to close 30p up for March to 5p lower on May. New crops closed unchanged to 5p lower on wheat and 15p-20p lower on barley, reports Acli.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yesterday close	+ or —
Mar.	109.70	+0.30	98.40	+0.30
May.	112.45	....	101.00	-0.85
July.	116.10	....	—	—
Sep.	98.80	-0.05	93.80	-0.20
Nov.	102.60	....	97.55	-0.25
Jan.	106.40	-0.05	101.45	-0.15

Business done—Wheat: Mar. 110.10-109.70, May 113.10-112.45, July 116.70-116.50, Sept. 99.00-99.00, Nov. 102.65-102.65, Jan. 106.60-106.60. Sales: 368 lots of 100 tonnes. Barley: Mar. 98.80-98.35, May 101.80-101.00, July no trade, Sept. 94.15-94.15, Nov. 97.85-97.75, Jan. 101.75-101.75. Sales: 168 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Hard Winter 13½ per cent March 106, April 106.50 transhipment East Coast sellers. English Feed fob March 114, April 116, April/June 118 East Coast sellers. April 115.75 East Coast paid. Maize: French March 123 transhipment East Coast sellers. S. African Yellow March/April 91.50. Barley: English. Feed fob April 105, May 106.75, June 106.50 East Coast paid. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 98.00, E. Midlands 97.20, N. East 97.80, Scotland 94.70. Other milling wheat: Eastern 109.00. The UK Monetary Coefficient for the week beginning Monday, March 9 is expected to increase to 0.859.

POTATOES

LONDON POTATO FUTURES — The market was quiet, trading in a narrow range all day, reports Coley and Harper. Closing prices: April 59.70 unchanged (high 59.90, low 59.60); Nov. 57.80 -40 (high 58.10, low 57.80); Feb. 67.10 unchanged (67.00). Turnover: 58 (132) lots of 40 tonnes.

RUBBER

The London physical market opened slightly steadier, steadied further throughout the day on good terminal demand, closing quietly steady. Lewis and Peat reported an fob March price for No. 1 RSS in Kuala Lumpur of 294.7 (292.75) cents a kg and SMR 20 at 263 (261.5).

No 1. R.S.S.	Yest'r'ys close	Previous close	Business Done
Apr.	61.00-61.40	57.00-65.50	68.00-60.50
May	62.00-62.10	60.40-61.00	62.00
Apr-Jne	62.00-62.20	59.40-60.50	62.10-60.80
Jly-Sept	66.50-65.40	65.70-65.80	65.40-65.80
Oct-Dec	69.00-68.20	68.40-66.90	68.20-66.50
Jan-Mar	70.90-71.00	69.30-69.50	71.00-69.30
Apl-Jne.	75.70-75.80	72.20-72.40	75.60-75.20
Jly-Sept	78.40-78.60	74.80-74.90	—
Oct-Dec	79.10-79.20	77.70-78.00	79.20-78.70

Sales: 566 (490) at 15 tonnes and 4 (16) at 5 tonnes. Physical closing prices (buyer) were: Spot 58.50p (59.25p), April 62.75p (62.50p), May 63.25p (63.00p).

SOYABEAN MEAL

The London market opened 50p-80p higher on fresh trade buying, reports T. G. Roddick. Prices drifted lower during the afternoon eroding the morning's gains to close unchanged on the day.

	Yest'rd'ys Close	+ or —	Business Done
	£ per tonne		
April	121.50-21.7	-0.50	122.50-21.50
June	124.50-24.6	-0.20	125.00-24.60
August	128.70-28.8	-0.30	128.60-28.80
October	128.00-28.5	-0.25	—
December	128.00-28.5	-0.25	—
February	128.50-32.5	-0.60	—
April	130.00-34.6	—	—

Sales: 144 (77) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar £255.00 (£251.00) a tonne cif for March-April shipments. White sugar daily price was £285.00 (£280.00).

The market gained some £5.00 from Tuesday overnight levels following rumours of further Soviet purchases. However during the afternoon after the EEC granted applications for 82,200 tons, prices gave way and losses of some £8.00 occurred reports C. Czarnikow.

No. 4 Contract	Yest'rdy's Close	Previous Close	Business Done
	£ per tonne		
May	254.10-54.25	255.25-55.50	262.00-53.50
Aug	251.25-51.50	253.25-53.50	259.00-50.75
Oct	247.10-47.75	248.55-49.75	256.50-47.00
Jan	252.50-53.50	254.00-55.00	259.00-55.00
March	252.00-52.50	254.75-55.00	248.00-51.50
May	252.00-52.50	254.50-55.00	—
Aug	251.00-55.00	254.50-55.50	—

Sales: 7,458 (7,076) lots of 50 tonnes.
Tate and Lyle ex-refinery price for granulated basis white sugar was £342.5 (same) a tonne for home trade and £338.00 (£331.00) for export.
International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port. Prices for March 3: Daily price 22.97 (22.77). 15-day average 23.71 (23.86).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyers, seller, business sales). New Zealand cents per kilo. Mar. 341, 347, 345, 1; May 351, 356, 372, 5; Aug. 363, 365, 364, 6; Oct. 367, 372, nil, nil; Dec. 376, 378, 377, 6; Jan. 380, 383, 380, 2; Mar. 382, 388, 383, 5; May 384, 387, nil, nil; Aug. 373, 389, 385, 2. Sales: 26.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per kilo. March 485.0 traded, 490.0-484.0, 63; May 484.0, 485.0, 486.0-480.0, 123; July 492.0, 494.0, 484.0-489.0, 200; Oct. 486.3, 487.0, 486.5-483.0, 117; Dec. 489.5, 490.5, 492.0-488.0, 82; March 499.0, 501.0, 501.0-500.0, 35; May 504.0, 505.0, 506.0-504.0, 31; July 509.0, 510.0, 510.5-509.0, 7. Sales 638.

*

HIDES—Leeds: market virtually unchanged. Second clears. Ox: 31/35.5 kilos, 40p a kilo withdrawn, (43.5p a kilo); 26/30.5 kilos, 41.7p a kilo withdrawn (47p a kilo); 22/26.5 kilos 52p a kilo withdrawn (52p a kilo). Light cows: 43.1p a kilo withdrawn (43.5p a kilo).

PRICE CHANGES

	Mar. 4 1981	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1428.1450	-15	$1415/445
Copper			
Cash w'bar	£788.5	-4	£777
3 mths	£811.25	-5	£800.75
Cash Cathode	£786.5	-3.5	£768.5
3 mths	£798.75	-3.75	£787.5
Gold troy oz	$464.5	-8	$505.5
Lead Cash	£322.75	-4.5	£285.75
3 mths	£330.75	+2	£294.75
Nickel	£3,358.65	......	£3,226.57
Freemkt	275/290c	......	280/295c
Platin'mtr'y oz	£213.50	......	£202
Freemkt	£200.30	-8.25	£205.45
Quicksilvert	$400/410	......	$388/580
Silver troy oz	540.80p	+10.55	566.75p
3 mths	557.80p	+11.25	583.75p
Tin Cash	£6,040	-10	£5,860
3 mths	£6,167.5	-5	£5,987.5
Tungsten22.04lb	$145.47	......	$144.72
Wolfrm 22.04 lb	$151/155	......	$148/151
Zinc Cash	£339	-1.5	£309.25
3 mths	£399.5	-2	£320.75
Producers	$825	......	$825
Oils			
Coconut (Phil)	$585x	-10	$600
Groundnut	......	......	‡
Linseed Crude	£415	......	£408
Palm Malayan	$600r	......	$640
Seeds			
Copra Philip	$405	......	$415
Soyabean(U.S.)	$302	+4	$314
Grains			
Barley Futures	£101.00	-0.05	£100.45
Maize			
French	£123	......	‡
Wheat			
No 1 Red Spg.	‡	......	‡
No2 HardWint	£106	-1.5	£106.75
Eng. Milling†	‡	......	‡
Other commodities			
Cocoa ship't	£1,005	+4	£929
Future May	£919.5	+4	£869.5
CoffeeF t'May	£1036.5	+7	£1013
Cotton A.Index	93.30c	-0.75	97.55c
Rubber (kilo)	58.50p	-0.75	56.50p
Sugar (Raw)	£255	+4	£252
Woolt'ps 64s kl.	325p kilo	......	307p kilo

† Unquoted. x March-April. v May. y April. z indicator. § Buyer. ‡ Per 75 lb flask. * Nominal.

GRIMSBY FISH—Supply: Good. Demand: Good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.00-£5.00, codlings £2.00-£3.00. Large haddock £4.40-£5.10, medium £4.00-£4.90, small £2.80-£3.80. Best small plaice £2.80. Lemon soles (large) £12.00, (medium) £10.50. Saithe £1.60-£2.00.

† Unquoted. x March-April. v May. y April. z indicator. § Buyer. ‡ Per 75 lb flask. * Nominal.

*

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 72.6 to 76.3; Eire hindquarters 86.5 to 90.0, forequarters 56.5 to 60.0. Veal: Dutch hinds and ends 111.0 to 114.0. Lamb: English small 67.0 to 83.0; medium 73.0 to 82.0; heavy 68.0 to 78.0; Imported frozen: NZ pl 56.0 to 57.0, pm 56.0 to 58.0. Pork: English, under 100 lbs 41.0 to 50.0, 100-120 lbs 42.2 to 49.0, 120-160 lbs 40.0 to 48.0.

MEAT COMMISSION—Average fatstock prices at representative markets on March 4. GB cattle 90.00p per kg lw (+1.08). UK sheep 171.41p per kg est d c w (−5.62). GB pigs 71.49p per kg lw (+3.08).

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported ...Produce: Oranges—Jaffa: Shamoutis 60/189 4.30-5.05; Spania: Navels 48/100 4.00-4.50; Moroccan: Navels 56/125 3.40-3.80; Cyprus: Shamoutis 15 kg 42/112 2.50; Egyptian: 72/125 2.50. Lemons—Spania: Trays 25/54 2.20-2.40; Cyprus: 10 kg 4.00-4.60; Californian: 95/140 6.00-6.50; Italian: 100/120 3.75-4.00; South African: 80/100 6.00; Jaffa: 5.80, half-boxes 40/45 2.60. Grapefruit—Cyprus: 20 kg 40/84 3.00-4.00; Jaffa: 20 kg 36 4.45, 40 4.50, 48 4.65, 56 4.40, 64 4.05, 75 3.85; Egyptian: 30/100 2.50. Satsumas—Spania: 90/105/126 4.00, 144/154 4.00, 168 3.80.

AMERICAN MARKETS

NEW YORK, March 4.

PRECIOUS METALS came under severe pressure in view of the strong dollar and lack of buying interest. Copper sold off as selling pressure on gold intensified. Sugar continued its sell-off ahead of a private crop estimate for 1981 to be issued Thursday. Cotton weakened moderately on speculative selling. Cocoa was featureless with some light short covering on the expectation the Ivory Coast would join the ICCO. Coffee was mixed on light trading with no clear direction. The livestock complex collapsed with many limit declines. Grains and soyabeans sold off sharply on technical selling and on reports of larger crops in Latin America, reported Heinold.

Copper—March 78.20-78.25 (78.90), April 79.20 (79.90), May 80.30-80.50, July 82.60-82.75, Sept. 84.85, Dec. 88.10, Jan. 89.00, March 90.95, May 92.70, July 94.45, Sept. 96.20, Dec. 98.80, Jan. 9.65.

Potatoes (round whites)—April 135.2 (130.2), Nov. 88.5 (87.4). Sales 357.

Sugar—No. 11: May 23.00-23.05 (23.88), July 23.20-23.30 (23.95), Sept. 23.11, Oct. 22.98, Jan. 21.53, March 21.43, May 21.50, July 21.45-21.55. Sales 11,701.

Tin—618.0-626.0 (same).

CHICAGO, March 4.

Lard—Chicago loose 19.50 (19.25).

Live Cattle—April 62.95-62.90 (64.37), June 66.17 (67.67), Aug. 66.47-66.52, Oct. 65.10-65.10, Dec. 66.25, Feb. 66.90, April 69.00.

‡‡Maize—March 349-348½ (352¼), May 356¼-355½ (361¼), July 362-362¾, Sept. 360¼, Dec. 358½-358¾, March 369-369¼.

Pork Bellies—March 47.45 (49.45), May 49.40 (51.60), July 51.12, Aug. 50.50, Feb. 62.10, March 61.60, May —.

Silver—March 1160.0 (1201.0), April 1175.0 (1215.0), May 1190.5, June 1203.0, Aug. 1235.0, Oct. 1267.0, Dec. 1299.0, Feb. 1331.0, April 1363.0, June 1395.0, Aug. 1427.0, Oct. 1459.0, April 1555.0, June 1587.0, Aug. 1619.0, Oct. —.

†Soyabeans—March [illegible]-705 (717), May 728-730 (741¼), [illegible]-754, Aug. 761, Sept. 767½, N[illegible]-783, Jan. 802, March 824-823.

||Soyabean Meal—March 200.5 (202.9), May 208.3-208.5 (212.1), July 215.5-215.0, Aug. 218.0, Sept. 221.5, Oct. 222.5-224.0, Dec. 226.5-226.8, Jan. 229.0, March —, May —.

Soyabean Oil—March 23.12-23.15 (23.14), May 23.80-23.70 (23.88), July 24.65-24.55, Aug. 24.85, Sept. 25.15, Oct. 25.40, Dec. 26.00, Jan. 26.30, March 26.95-27.00, May 27.50-27.60.

†Wheat—March 421¾ (432), May 428½-429½ (439½), July 432-433, Sept. 445½-444½, Dec. 467-467, March 484.

WINNIPEG, March 4. §Barley—March 145.00 (146.00), May 148.00 (149.20), July 149.20, Oct. 149.20, Dec. 149.40.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

Tuesday's closing prices

††Cocoa—March 1945 (1922), May 1975 (1962), July 2025, Sept. 2076, Dec. 2139, March 2204, May 2264, July —. Sales: 1,845.

Coffee—"C" Contract. March 121.50-122.00 (121.54), May 123.50-123.60 (121.44), July 124.28-124.50, Sept. 125.50, Dec. 124.00, March 124.00-124.40, May 123.50-124.00, July 124.00-125.40. Sales: 2,257.

Cotton—No. 2: March 87.50-57.52 (8650), May 88.95-89.00 (88.14), July 8.60-88.70, 85.10, Oct. 85.10, Dec. 82.00, March 82.75-83.00, May 83.40-83.80, July 83.70-84.00. Sales: 6,500.

*Gold—March 472.8 (461.0), April 475.0-477.0 (465.0), May 481.5, June 485.5-487.5, Aug. 498.5, Oct. 510.2, Dec. 521.0, Feb. 534.1, April 546.2, June 558.4, Aug. 570.7, Oct. 583.1, Dec. —. Sales: 38,00.

Orange Juice—March 135.25 (130.25), May 141.55 (136.55), July 146.60, Sept. 149.55, Nov. 146.25, Jan. 142.05, March 143.10, May 144.00, July 144.90. Sales: 1,500.

*Platinum—March 44.0-46.0 (436.0), April 49.0-450.0 (41.7), May —, July 469.0, Oct. 487.5, Jan. 507.8, April 527.0. Sales: 1,662.

¶Silver—March 1210.0-1213.0 (1152.0), April 1220.0 (118.5), May 1236.0-1240.0, July 1268.0-1275.0, Sept. 1305.0, Dec. 1354.0, Jan. 1370.0, March 1402.0, May 1434.0, July 1466.0, Sept. 1498.0, Dec. 1546.0. Sales: 4,000. Handy and Harman bullion spot 1177.0 (1158.0).

Chicago 1mm Gold—March 473.6-474.0 (462.8), April 474.3 (466.5), June 487.6-486.5, July 482.0, Sept. 506.0-505.5, Oct. 49.1, Dec. 522.5, Jan. 516.3, March 540.0, April 533.6.

WINNIPEG, March 3.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 268.65 (267.80).

EUROPEAN MARKETS

ROTTERDAM, March 4.

Wheat—U.S. Two Dark Hard Winter 13.5 per cent. March $217, April/May/June $221. U.S. No. Two Red Winter spot $212, March $206, April $210, May $213. U.S. No. Two Northern Spring 14 per cent. April/May $213 June $214, July $214.50, Aug. $216, Sept. $217.

Maize—Afloat $186, March $184.50, April $187, May $189.50, June $172, July/Sept. $174, Oct./Dec. $171.50, Jan./March $183.

Soyabeans—U.S. Two Yellow Gulfports March $295.50/$298, April $299.50, May $303.50 traded, March $297, April $299.50, May $303.50, June $309.75, July $312.75, Aug. $316.50, Sept. $320, Oct./Nov. $322.25, Dec $329.50, Jan. $335.50, Feb. $341.50, March $342.50 sellers. Argentine June/July $308.75 sellers.

Soyameal—44 per cent protein, U.S. afloat $260-$260.50, March $260/$261 traded, afloat $264.75, March $262, April $265, May $267, April/Sept. $273, Nov./March $290. Brazil Pellets Feb. $280, March/April $276.50, May $276, April/June $279, April/Sept. $283 sellers.

PARIS, March 4.

Cocoa (FFr per 100 kilos)—March 940-950, May 995-1,010, July 1,020, Sept. 1,055-1,065, Dec. 1,100/1,116, March 1,125-1,140, May 1,145-1,165. Sales at call 0.

Sugar (FFr per tonne)—May 3,070-3,074, July 3,030-3,070, Aug. 2,975-2,980, Oct. 2,885-2,900, Nov. unquoted, Dec. 2,735-2,810, March 2,685-2,750, May 2,685-2,750. Sales at call 28.

INDICES

FINANCIAL TIMES

Mar. 3	Mar. 2	Month ago	Year ago
257.11	257.56	263.83	305.03

(Base: July 1, 1952=100).

MOODY'S

Mar. 3	Mar. 2	Month ago	Year ago
1125.1	1130.7	1168.5	1405.5

(December 31, 1931=100)

DOW JONES

Dow Jones	Mar. 3	Mar. 2	Month ago	Year ago
Spot	421.65	419.58	429.46	439.89
Fut'rs	434.97	433.93	440.90	469.04

(Average 1924-25-26=100)

REUTERS

Mar. 4	Mar. 3	M'nth ago	Year ago
1732.4	1734.6	1692.6	1794.5

(Base: September 18, 1931=100)

LONDON STOCK EXCHANGE

Equities stage technical rally but close below best
Variable coupon stocks feature firmer Gilt market

Account Dealing Dates

Option *First Dealings	Declara- tions	Last Dealings	Account Day
Feb. 9	Feb. 26	Feb. 27	Mar. 9
Mar. 2	Mar. 12	Mar. 13	Mar. 23
Mar. 16	Mar. 26	Mar. 27	Apr. 6

* "New time" dealings may take place from 9 am two business days earlier.

The two main investment sectors of London stock markets took on decidedly better tones yesterday. Leading equities attracted a small institutional interest and soon staged a technical recovery after the past two-day fall, while British Funds also rallied with the emphasis on Variable coupon issues.

Sterling's better performance encouraged a revival of recent optimism about the possibility of next Tuesday's Budget containing a large cut in Minimum Lending Rate. The support for selected equity leaders found stock in short supply and the latter factor tended to evaggerate price rises. The FT 30-share index moved ahead fairly quickly from a 10.00 am gain of only 0.7 to stand 6.3 up by noon.

Once demand had been satisfied, however, values tended to drift back on lack of follow-through interest and the index closed a net 3.8 higher at 500.0. Of the index constituents, John Brown moved against the trend, being unsettled by news of the strike call at the company's Clydebank gas turbine plant.

Many of the day's features resulted from company trading statements, while speculative buying also prompted the occasional noteworthy movement. Among the sectors, Banks turned firmer awaiting today's preliminary results from Barclays.

The recovery movement in the sterling exchange rate contributed to the better tone in British Funds. Mediums and longs opened around ¼ higher, but small buying was not sufficient to hold the enhanced levels and quotations tended to ease back ¼ in places. Demand for Variable coupon stocks was connected with speculation about a possible change in the method of calculating Treasury Bill rate; all three Variable issues were fairly active and closed about ½ higher.

The volume of business in Traded options improved with 848 contracts completed compared with the previous day's 388.

Grindlays down

Grindlays fell 10 to 168p on a combination of fading bid hopes and comment on the preliminary results. The major clearing banks trended firmer with Barclays closing 6 better at 408p in front of today's annual results. NatWest put on a similar amount to 368p, while Midland added 5 at 335p and Lloyds 4 at 332p. Dealings started in Sterling Credit's 8 per cent Convertible of which £1.2m was placed at 110p per share in order for the company to expand its remaining lending business and strengthen its capital base; opening at 160p the stock reacted to 153p before rallying strongly to close at 163p.

General Accident closed only a couple of pence harder at 324p, after 326p, despite better-than-expected preliminary profits. Other Composites gained ground in sympathy. Lloyd's Brokers made progress with Willis Faber notable for a rise of 7 to 297p.

Breweries passed a fairly quiet trading session. Among favoured stocks, Bass made useful progress and closed 4 up at 213p, but *Whitbread "A" finished a little below the best with a rise of 2 to* 153p. Elsewhere, the lower interim profits left Matthew Clark 2 cheaper at 136p.

Secondary issues provided the main features in Buildings. MDW, a rising market recently on speculative buying, jumped 17 to 90p *on news* of the bid approach, while demand in thin markets lifted Wettern Brothers 12 to 80p and Blockleys 6 to 108p. Burnett and Hallamshire, still responding to the acquisition of certain mineral rights in Pennsylvania, U.S., gained 45 to 988p, and renewed speculative support left Montague L. Meyer 3 dearer at 83p. Travis and Arnold, 145p, and Roberts Adlard, 96p, added 4 apiece, while Ben Bailey firmed 2 to a 1980-81 peak of 21p.

ICI traded mainly during the morning session and held a rise of 4 to close at 252p.

Secondary Stores passed a fairly active session. Bakers Household rose 8 to 128p following the chairman's cheerful statement at the AGM, and Currys rose a similar amount to 332p on talk of a pending broker's circular. Owen Owen put on 4 at 142p, while Executex rose 3 to 30p as did Foster Bros., to 85p. Among quietly firm leaders, Gussies "A" improved 5 to 478p and Debenhams 4 to 87p.

Baker Elec. slump

Baker Electronics, dealt under special rule, plummeted 18 more for a decline on the week so far of 28 to 25p on persistent selling induced by fears that the company will not meet the profit's forecast made when it came to the market last August. Elsewhere in Electricals, another fairly lively business was transacted in the leaders. GEC moved between extremes of 652p and 643p before closing a net 2 dearer at 647p, while Plessey continued to draw strength from the recent good 9-monthly results, and settled with a rise of 4 at 316p. Thorn EMI touched 314p before easing on lack of follow-through support to end a net 4 off at 304p. Unitech attracted buyers and put on 8 at 256p, *while Muirhead* rose 7 to 112p on revived speculative interest.

F. Pratt touched a 1980-81 peak of 124p *following early speculative* support before retreating to close a net 6 down at 114p on the announcement that Bardsey had sold its near 13 per cent holding in the company to 600 Group who intend to hold the stake as an investment; Bardsey attracted buyers on the news and finished 4 better at 30p. Ransomes Sims and Jefferies jumped 16 to 156p in response to the maintained dividend and better-than-expected annual profits, while Wadkin advanced 7 to 83p in response to an investment recommendation. A good demand was reported for IMI ahead of the results due on March 17 and the close was a few pence higher at 66p. Westland firmed 7 at 138p and *APV rose 6 to 218p, while* Greens Economiser put on 5 at 108p. West Bromwich Spring gained 3 at 16p. John Brown eased to 73p and closed 1½ lower at 74p, sentiment being unsettled by the threat of strike action by its Clydebank workers. After early demand, GKN wilted to finish a net penny lower at 143p but Tubes added 4 at 194p.

Leading Foods had Tate and Lyle 4 firmer at 170p after the chairman's cautiously optimistic statement at the annual meeting. Rowntree Mackintosh improved the same amount to 164p.

Grand Metropolitan touched 184p before closing a penny dearer on balance at 182p following the chairman's remarks at the AGM. Trusthouse Forte improved a couple of pence to 207p, while Ladbroke added a penny at 259p. Elsewhere in Hotels and Caterers, Kennedy Brookes found support at 114p, up 4.

Unilever rally

Comment on the results prompted a good rally in *Unilever* which ended 13 better at 488p. Other miscellaneous industrial leaders staged a technical rally and closed with improvements ranging to 6. Metal Box added that much at 180p and Beecham gained 5 at 165p. Elsewhere, Whitecroft rose 5 to 57p on further consideration of the sale of its machine tool subsidiary to Sticksound for approximately £1.9m cash. Sangers rose 4 to 56p, after 60p, in response to speculative buying and Davies and Newman added 5 to 150p for a similar reason. Smiths Industries gained 8 at 297p, but Fitzwalton softened 2½ to 47p in reaction to the sharply reduced profits.

Williams Hudson were suspended at 90p pending compliance with *SE listing requirements.*

Business in Motors was sparse, but price movements usually higher. Dunlop improved 2 to 64p and Lucas added 4 at 193p, but Automotive Products shed 2 to 43p. Delight encountered selling and, in a narrow market lost 5 to a 1980/81 low of 30p.

Newspapers edged higher in thin trading. Associated and Daily Mail A improving 3 apiece to 273p and 473p respectively. News International also added 3 at 95p, but United eased a couple of pence to 195p. Elsewhere, Gordon and Gotch continued to advance and ended 2 dearer at 150p, after 152p.

Speculative interest was shown in Properties. Anglo Metropolitan rose 3 to 93p on sporadic support, while Property Partnerships gained 10 to a 1980/81 peak of 250p. Estates and Agency improved 4 to 138p. Rosehaugh firmed 7 to 282p and Laing A 4 to 192p, while McInerney, in a thin market, hardened 2 to 29p. Among the leaders, Land Securities touched 398p before closing a net 3 dearer at 397p.

Ultramar good

Leading Oils made progress in the early trading, but closing levels were usually a couple of pence below the best. Ultramar featured with a gain of 17 to 510p; the company is due to announce its preliminary results on March 12, the same day as British Petroleum, 4 dearer at 416p, after 418p, and Shell 2 firmer at 422p, after 426p. Tricentrol touched 314p before reverting to the overnight level of 310p. Aran Energy found support and firmed 10 to 395p, but Charterhouse Petroleum shed 3 to 79p following adverse Press comment.

Investment Trust Capital shares benefited from the better equity tone. *City and Commercial*, 241p, and Dualvest, 434p, both moved up 6, while SPLIT gained 4 to 112p. In contrast, Mercantile slipped 2½ to 59p following the board's decision not to recommend any form of reconstruction of the trust. In Finance Land, Centreway Trust's offer to buy the outstanding equity of Centreway, unchanged at 123p, raised Centreway Trust 5 to 130p. Kitchen Taylor responded to demand in a restricted market with a gain of 8 to 137p.

Textiles presented a mixed appearance. Textured Jersey took a turn for the better and picked up 2 at 82p, while occasional support lifted David Dixon 6 to 126p in a limited market. On the other hand, R. Smallshaw were dull at 20p, down 1½p. Courtaulds followed the trend of other leaders and closed a few pence dearer at 63p.

Quiet mines

An otherwise subdued mining market was featured by Gold Fields which moved ahead strongly to touch 435p immediately following the increased profits and dividend before easing back to close unaltered on balance at 425p.

Other London Financials moved similarly and losses of 3 were common to Charter, 210p, after 215p, Rio Tinto-Zinc, 417p, after 425p, and Tanks 255p.

South African Golds made good progress at the outset, reflecting the initial strength of the bullion price and overnight U.S. support. However, the subsequent decline in gold prompted jobbers to mark prices down in the afternoon and final quotations were a shade below the previous day's closing levels. The Gold Mines index eased 0.4 to 305.9.

South African Financials were mixed in quiet trading. Amgold gained ½ to £37½ and *Gencor* 25 to 800p, but GFSA gave up ½ more to a 1980/81 low of £21½.

Australians staged a minor rally, led by Golds, but closed well below the day's best following the fluctuations in the bullion price.

Gold Mines of Kalgoorlie and Kitchener *Mining rose 12 apiece* to 320p and 155p respectively. Whim Creek put on 4 to 54p and North Kalgurli 2 to 52p.

The Rundle twins improved with Central *Pacific* recouping to close at 235p. Southern Pacific 15 of the previous day's 35 fall *added 8 at 93p.*

FINANCIAL TIMES STOCK INDICES

	Mar. 4	Mar. 3	Mar. 2	Feb. 27	Feb. 26	Feb. 25	A year ago
Government Secs.	68.65	68.64	68.97	69.12	69.26	69.34	64.31
Fixed Interest	70.66	70.67	70.75	71.08	71.13	71.15	64.86
Industrial Ord.	500.0	496.2	501.4	506.6	497.8	502.0	460.4
Gold Mines	305.9	306.3	309.9	337.5	342.4	350.6	364.7
Ord. Div. Yield	7.06	7.11	7.04	6.97	7.09	7.17	7.31
Earnings, Yld. % (full)	15.19	15.29	15.15	16.08	16.06	15.99	17.83
P/E Ratio (net) (*)	8.12	8.06	8.14	8.22	7.61	7.70	6.93
Total Bargains	26,120	24,503	24,538	27,482	25,004	24,397	20,274
Equity turnover £m.	—	161.09	124.45	176.73	171.22	132.26	105.47
Equity bargains total	—	21,364	21,126	21,422	21,708	18,775	16,497

10 am 496.9. 11 am 501.8. Noon 502.5. 1 pm 501.2.
2 pm 501.2. 3 pm 500.9.
Latest Index 01-246 8026.
*Nil=7.46.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1980/81 High	1980/81 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	72.54 (21/7/80)	63.85 (7/5/80)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	74.08 (24/7/80)	64.70 (10/3/80)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	515.9 (21/11/80)	406.9 (3/1/80)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	558.9 (22/9/80)	265.5 (18/3/80)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 3	Mar. 2
—Daily		
Gilt Edged Bargains	232.0	240.0
Equities Bargains	138.4	136.9
Equities Value	325.6	251.5
5-day Avrge.		
Gilt Edged Bargains	231.3	242.8
Equities Bargains	135.3	131.8
Equities Value	309.5	299.7

LEADERS AND LAGGARDS

Percentage changes since December 31, 1980, based on Tuesday, March 3, 1981

Hire Purchase	+20.79	Financial Group	+ 5.62
Contracting, Construction	+20.66	Leisure	+ 5.60
Textiles	+14.96	Brewers and Distillers	+ 5.38
Insurance (Life)	+13.00	Industrial Group	+ 5.27
Building Materials	+12.20	Merchant Banks	+ 5.10
Tobaccos	+11.58	Consumer Group	+ 5.09
Other Industrial Materials	+10.36	Stores	+ 4.92
Other Consumer	+10.01	Overseas Traders	+ 4.45
Insurance (Composite)	+ 9.82	Engineering Contractors	+ 4.42
Packaging and Paper	+ 9.48	*Investment Trusts*	+ 3.56
Capital Goods	+ 9.01	All-Share Index	+ 3.02
Mechanical Engineering	+ 8.98	500-Share Index	+ 2.61
Insurance Brokers	+ 8.92	Motors	− 0.61
Shipping and Transport	+ 8.38	Food Retailing	− 1.70
Metals and Metal Forming	+ 8.10	Health and Household Products	− 1.80
Property	+ 7.44	Other Groups	− 3.90
Office Equipment	+ 7.25	Banks	− 5.37
Electricals	+ 7.15	Oils	− 5.82
Food Manufacturing	+ 6.56	Mining Finance	− 6.44
Discount Houses	+ 6.32	*Chemicals*	−14.59
Newspapers, Publishing	+ 5.69	Gold Mines Index	−24.83

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., March 4, 1981: Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues. March 3 Index No.	Mon. March 2 Index No.	Fri. Feb. 27 Index No.	Thurs. Feb. 26 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (211)	315.01	+0.5	13.16	5.23	9.28	313.32	316.17	316.38	311.72	245.34
2	Building Materials (26)	276.79	+0.2	16.81	6.24	7.10	276.19	279.76	278.09	276.34	239.60
3	Contracting, Construction (26)	490.72	+0.6	18.60	5.38	6.46	487.97	496.80	493.50	486.09	372.07
4	Electricals (27)	1028.60	+0.3	8.44	2.55	14.63	1025.82	1032.41	1038.74	1022.70	632.07
5	Engineering Contractors (11)	417.98	+0.7	14.27	6.19	8.94	415.05	424.39	415.94	413.58	293.05
6	Mechanical Engineering (71)	188.34	+0.7	15.42	6.99	8.12	186.95	188.05	187.93	184.56	167.26
8	Metals and Metal Forming (13)	149.19	+0.5	17.68	11.19	7.17	148.46	149.66	148.72	146.08	169.14
9	Motors (21)	92.72	+1.2	19.54	8.94	5.90	91.63	92.28	92.37	89.79	111.15
10	Other Industrial Materials (16)	321.58	+1.4	14.25	6.68	8.34	317.19	320.89	322.09	317.41	0.00
21	CONSUMER GROUP (198)	252.21	+0.8	15.01	6.24	8.08	250.27	252.53	253.40	249.22	223.33
22	Brewers and Distillers (20)	278.74	+0.5	16.62	6.56	7.14	277.36	281.83	283.30	275.26	268.87
25	Food Manufacturing (23)	227.20	+1.0	17.22	6.89	6.89	224.94	227.48	226.58	224.00	208.18
26	*Food Retailing (14)*	457.79	+0.1	9.84	3.51	12.01	457.41	463.94	458.84	451.67	306.66
27	Health and Household Products (7)	263.79	+1.7	10.07	5.41	11.80	259.31	260.21	262.99	255.86	214.14
29	Leisure (22)	369.25	+0.2	15.14	6.19	8.15	368.58	374.49	373.59	369.03	312.63
32	Newspapers, Publishing (12)	450.45	+0.3	19.52	6.93	6.69	449.12	448.99	446.69	445.11	436.51
33	Packaging and Paper (15)	127.31	+1.5	25.08	9.51	4.62	125.42	126.74	126.95	124.59	131.39
34	Stores (44)	261.79	+1.0	11.36	4.83	11.52	259.13	259.95	261.38	258.67	224.95
35	Textiles (21)	144.85	+1.1	17.71	9.21	7.38	143.33	145.24	144.51	142.76	130.00
36	Tobaccos (3)	222.32	−0.2	25.56	10.47	4.46	222.72	223.20	229.47	224.83	202.38
39	Other Consumer (17)	262.40	+0.2	14.53	7.33	8.42	261.98	264.52	263.57	262.52	0.00
41	OTHER GROUPS (79)	213.52	+0.7	13.85	7.13	9.02	211.99	213.44	214.64	214.61	209.73
42	Chemicals (15)	256.24	+1.0	11.30	8.16	11.61	253.76	255.92	261.05	265.09	307.68
44	Office Equipment (6)	111.12	+2.1	16.75	7.47	7.08	108.88	110.40	110.49	107.83	121.27
45	Shipping and Transport (13)	586.18	+0.6	12.91	6.30	9.51	582.53	585.32	578.49	574.56	480.45
46	Miscellaneous (45)	273.35	+0.1	16.26	6.25	7.55	272.97	274.86	273.53	271.69	247.10
49	INDUSTRIAL GROUP (488)	268.46	+0.7	14.18	5.98	8.61	266.65	268.99	269.71	266.02	232.77
51	Oils (12)	881.84	+0.8	27.23	5.97	4.09	874.46	888.24	882.51	874.43	840.16
59	500 SHARE INDEX	317.07	+0.7	17.00	5.98	6.95	314.82	317.43	318.28	314.23	280.53
61	FINANCIAL GROUP (118)	249.68	+0.7	—	5.46	—	247.94	249.88	251.06	246.65	196.79
62	Banks (6)	236.83	+1.4	41.21	7.51	2.97	233.60	233.82	239.86	236.36	222.28
63	Discount Houses (10)	305.15	−1.1	—	6.07	—	308.57	312.91	311.78	313.98	214.49
64	Hire Purchase (4)	237.98	−0.1	9.89	5.49	14.27	238.32	239.58	238.88	239.81	186.73
65	Insurance (Life) (10)	261.85	+0.4	—	5.04	—	260.78	268.95	263.46	257.70	174.39
66	Insurance (Composite) (9)	163.61	+1.2	—	7.26	—	161.71	161.98	162.92	157.43	127.43
67	Insurance Brokers (9)	353.39	+1.5	12.91	6.55	10.60	348.05	356.39	352.51	342.75	287.17
68	Merchant Banks (13)	155.74	—	—	4.97	—	155.77	155.39	152.59	152.77	104.10
69	Property (46)	479.52	+0.3	3.13	2.60	44.29	478.13	482.45	487.12	480.21	368.91
70	Miscellaneous (11)	179.58	−0.2	15.15	5.18	8.41	180.00	180.91	178.16	177.92	130.89
71	Investment Trusts (109)	293.90	+0.7	—	5.24	—	291.91	291.37	290.48	288.81	221.66
81	Mining Finance (3)	212.18	−0.5	15.39	6.32	7.74	213.27	215.08	223.57	221.74	216.35
91	Overseas Traders (20)	447.01	−0.1	11.96	6.63	10.28	447.46	449.47	451.35	453.15	415.95
99	ALL-SHARE INDEX (750)	302.80	+0.7	—	5.86	—	300.81	302.88	304.16	300.38	261.19

FIXED INTEREST PRICE INDICES

	British Government	Wed. March 4	Day's change %	Tues. March 3	xd adj. today	xd adj. 1981 to date
1	Under 5 years	188.02	+0.09	187.92	—	2.48
2	5-15 years	110.48	+0.16	110.30	—	1.95
3	Over 15 years	112.53	+0.09	112.43	—	2.16
4	Irredeemables	124.92	+0.04	124.87	—	1.78
5	All stocks	110.02	+0.11	109.90	—	2.16

FIXED INTEREST YIELDS
British Govt. Av. Gross Red.

			Wed. March 4	Tues. March 3	Year ago (approx.)
1	Low Coupons	5 years	11.39	11.46	13.19
2		15 years	12.38	12.39	13.83
3		25 years	12.68	12.59	13.03
4	Medium Coupons	5 years	13.17	13.19	15.16
5		15 years	13.93	13.95	14.60
6		25 years	13.80	13.81	14.37
7	High Coupons	5 years	13.18	13.20	15.21
8		15 years	14.15	14.16	14.93
9		25 years	13.98	13.99	14.79
10	Irredeemables		11.79	11.80	12.26

		Wed., Mar. 4 Index No.	Wed., Mar. 4 Yield %	Tues. Mar. 3	Mon. March 2	Friday Feb. 27	Thur. Feb. 26	Wed. Feb. 25	Tues. Feb. 24	Mon. Feb. 23	Year ago (approx)
15	20-yr. Red. Deb. & Loans (15)	52.42	†14.13	52.41	52.40	52.37	52.37	52.32	52.33	52.32	50.19
16	Investment Trust Prefs. (15)	51.01	13.26	51.06	51.06	50.90	50.90	50.76	50.76	50.71	47.55
17	Coml. and Indl. Prefs. (20)	68.38	13.25	68.50	68.64	68.37	68.29	68.37	68.41	68.24	61.16

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28½p.

NEW HIGHS AND LOWS FOR 1980/81

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980-81.

NEW HIGHS (84)

BRITISH FUNDS (2)
LOANS (1)
AMERICANS (1)
BANKS (1)
BEERS (1)
BUILDINGS (6)
DRAPERY & STORES (4)
ELECTRICALS (1)
ENGINEERING (6)
FOODS (1)
HOTELS (1)
INDUSTRIALS (16)
INSURANCE (1)
LEISURE (2)
MOTORS (2)
NEWSPAPERS (2)
PAPER (4)
PROPERTY (5)
TRUSTS (24)
OVERSEAS TRADERS (2)
RUBBERS (1)

NEW LOWS (5)

ELECTRICALS (1)
Baker Elec.
INDUSTRIALS (1)
Mettoy Dfd.
MOTORS (2)
Automotive Delight
MINES (1)
Gold Fields S.A.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	84	1	30
Corpns. Dom. and Foreign Bonds	6	3	56
Industrials	304	186	886
Financial and Prop.	156	51	288
Oils	17	22	33
Plantations	4	—	19
Mines	44	52	69
Others	22	90	29
Totals	617	405	1,410

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Bardsey	30	+ 4	Pratt (F.)	114	− 6
GEC	647	+ 2	Sangers	56	+ 4
Grand Met.	182	+ 1	Stlg. Credit 8pc Cnv.	165	—
ICI	252	+ 4	Thorn EMI	304	+ 4
MDW	90	+17	Ultramar	510	+17
Plessey	316	+ 4	Unilever	488	+13

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Tues.'s closing price pence	Day's change	Stock	No. of price changes	Tues.'s closing price pence	Day's change
ICI	23	248	− 2	Plessey	15	312	− 6
Cons. Gold	19	425	− 7	Racal Elec.	15	360	− 7
GEC	19	645	− 2	Turner & Nwll.	15	75	− ½
Shell Transport	19	420	− 6	GKN	14	144	—
Unilever	18	475	− 8	*Thorn EMI*	14	308	+ 6
RTZ	16	420	—	Davy Corp.	13	148	−14
ICL	15	38	+ 1	Metal Box	12	174	− 8

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar. 9	Mar. 20	June 11	June 22
Mar. 23	Apr. 3	June 25	July 6
Apr. 6	Apr. 17	July 9	July 20

For rate indications see end of Share Information Service

Stocks favoured for the call included Fisons, Westminster Properties, Dunlop, Mettoy, Invergordon, First National Finance, French Kier, Montague L. Meyer, ICI, Beecham, Manson Finance, Rothmans, Burmah Oil, Standard Telephone, Loraine, Reardon Smith A, Bardsey, British Aerospace and International Petroleum. Puts were arranged in GKN and Tubes, while double options were transacted in Westminster Properties and Burmah.

RECENT ISSUES

EQUITIES

Issue Price p‡	Amount Paid Up	Latest Renunc. Date	1980/81 High	1980/81 Low	Stock	Closing Price p‡	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
150	F.P.	3/4	179	170	British Aerospace 50p	175	+5	b7.8	2.0	6.4	11.2
10p	F.P.	27/3	16¼	13¾	✱Crest Int Scs. 10p	16	......	—	—	—	—
§§	F.P.	—	8	6½	✱Dunton 5p	7½	......	—	—	—	—
75§	F.P.	—	105	90	Espley-Tyas Prop.	92	+2	b3.92	1.2	6.1	19.1
100	F.P.	13/3	102	95	New Darien Oil Trust	100	+1	—	—	—	—
48p	F.P.	13/5	45	38	Oil & Gas Production	39	+1	—	—	—	—
4.2p	P.P.	13/5	9	7½	Do. ($0.01 pd.)	7½	......	—	—	—	—
§§	F.P.	—	14	12	✱Parkfield Fndrs. 5p	13	......	0.88	6.4	9.3	2.4
81§	F.P.	16/2	106	96	Sonic Sound Audio 10p	101	−2	b4.48	1.9	6.3	9.8
**	F.P.	9/2	84	72	Westpool Inv. Defd	76	+1	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount Paid Up	Latest Renunc. Date	1980/81 High	1980/81 Low	Stock	Closing Price £	+ or −
¶100	£10	21/5	12	11½	Bristol Water 8% Red. Pref '86	12	+¼
‖	F.P.	12/2	119	106½	Crystalate 9¾% Cnv. Uns. Ln. '99-2000	119	+1
96	£20	27/3	21⅜	20¾	Iceland 14⅛% .016	20¾	......
¶100	£10	24/7	12	12	Mid-Sussex Water 8% Pref. 1986	12	......
‖	F.P.	20/1	135p	107p	*Paterson (R.) 11½% Cum. Cnv. Prf.*	133p	+1
‖	F.P.	13/2	127	113	Portals 9½% Cnv. 1994-2000	127	+1
110½	F.P.	—	165p	147p	Sterling Credit 8% Cnv. Red. Cum. Prf.	165p	......
100p	Nil	—	11pm	9pm	Yorks Fine Wool 11% Cum. Red. Cnv. Prf	11pm	+1

"RIGHTS" OFFERS

Issue Price p‡	Am'unt paid up	Latest Renunc. Date ●	Latest Renunc. Date ■	1980/81 High	1980/81 Low	Stock	Closing price p‡	+ or −
128 p	F.P.	27/2	27/3	128	115	Argyll Foods	119	......
154 p	Nil	9/3	22/5	27pm	17pm	Assoc. Dairies	26pm	......
$A9	Nil	—	—	180pm	178pm	Broken Hill Prop.	180pm	+10
45	F.P.	18/2	13/3	65	51½	Hampton Trust	54½	+½
184	F.P.	29/1	13/3	240	188	Johnson, Matthey	235	−5
45p	Nil	9/3	3/4	5pm	2½pm	Paradise B.	3pm	......
60	F.P.	16/2	27/3	87	71	Norcros	87	+1
320	F.P.	23/1	20/3	390	330	Royal Insurance	390	+7

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1979. Q Gross. † Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. *p‡* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✱ Unlisted Securities Market. ‡‡ London Listing. ‡ Resulting from debt settlement scheme. ‡‡ Units comprising 125 A Ord. & 6 12½% Cum. Pref.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Craigmount Fixed Int. Mngrs. (Jersey)
P.O. Box 195, St. Helier, Jersey. 0534 27561
Gilt Fund (Jsy.) 93.6 93.7xd −0.1 14.94
Valued weekly Wednesday.

DWS Deutsche Ges. F. Wertpapiersp
Gruneburgweg 113, 6000 Frankfurt
Investa DM30.20 31.80 +0.10 —

Delta Group
P.O. Box 3012, Nassau, Bahamas
Delt. Inv. Feb. 24 $3.96 4.16 ..... —

Deutscher Investment-Trust
Postfach 2685 Biebergasse 6-10 6000 Frankfurt
Concentra DM15.80 16.80 ..... —
Int. Rentenfonds DM59.10 61.00 ..... —

Dreyfus Intercontinental Inv. Fd.
P.O. Box N3712, Nassau, Bahamas.
NAV Feb. 24 US$29.69 31.59 ..... —

Emson & Dudley Tst. Mgt. Jrsy. Ltd.
P.O. Box 73, St. Helier, Jersey. 0534 73933
E.D.I.C.T. 152.6 163.8 ..... 2.20

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Ltd. (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Anthony Wieler Unit Tst. Mgmt. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd. (a)(c)

Barclays Unicorn Ltd. (a)(c)(g)

Baring Brothers & Co. Ltd. (a)(x)

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Gp. of Unit Trusts Ltd.(a)(c)(g)

The British Life Office Ltd. (a)

Brown Shipley & Co. Ltd. (a)(g)

Buckmaster Management Co. Ltd.

Canada Life Unit Tst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carr, Sebag Unit Trust Managers (a)

Charities Official Invest. Fund

Chieftain Trust Managers Ltd. (a)(g)

Confederation Funds Mgt. Ltd. (a)

Crescent Unit Tst. Mngrs. Ltd. (a)(g)

Darlington Unit Trust Mngt. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Equity & Law Un. Tr. M. (a)(b)(c)

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Robert Fraser Trust Mgt. Ltd.

Friends' Provdt. Trust Mgrs. (a) (b) (c)

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a) (b) (c)

Hill Samuel Unit Tst. Mgrs. (a)

Investment Intelligence Ltd. (a)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General (Unit Tst. Mngrs.) Ltd.

Lawson Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group (y)(c)(z)

Manulife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngmt. Ltd.

Murray Johnstone U.T. Mgmt. (a)

Mutual Unit Trust Managers (a)(g)

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a)(g)

Northgate Unit Trust Managers Ltd. (c)(y)

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)(x)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

For Sebura Fund Mngt. see SIMCO

Save & Prosper Group

Schroder Unit Trust Managers Ltd.

Scottish Amicable Inv. Mngrs. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Security Selection Ltd.

SIMCO Money Funds

Stewart Unit Tst. Managers Ltd.(a)

Sun Alliance Insurance Group

Target Tst. Mngrs. Ltd.(a)(g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co. (y)

Tyndall Managers Ltd.(a)(b)(c)

TSB Unit Trusts (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Black Horse Life Ass. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London A'deen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Phoenix Assurance Co. Ltd.

Planned Savings Group

Premium Life Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capital Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Amicable Investments

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Standard Life Assurance Company

Sun Alliance Insurance Group

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Sun Life Pensions Management Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions(a)(b)(c)

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

B.I.A. Bond Inv. A.G.

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Mngmt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capitrex S.A.

Capital Asset Managers Ltd.

Capital International Fund S.A.

Charterhouse Japhet

Chawton Commodities (Isle of Man) Ltd.

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

Cortexa International

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1980-81 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
98 27/32	91¼	Exch. 8¼pc 1981	98 23/32	+1/32	8.34	12.47
98 [illegible]	92¾	Exch. 9½pc 1981	98 [illegible]	.....	9.60	12.18
96⅛	85½	Exch. 3pc 1981	95⅞	.....	3.13	12.43
99 [illegible]	96½	Treas. Variable '81‡‡	99 [illegible]	+¼	12.15	12.83
100⅝	95 [illegible]	Exch. 12¾pc 1981‡‡	100 [illegible]	+[illegible]	12.71	12.15
97 [illegible]	88½	Treas. 8½pc '80-82‡‡	97	+[illegible]	8.76	12.19
95	82½	Treasury 3pc '82‡‡	94⅞	.....	3.16	8.72
102⅞	96⅝	Treasury 14pc '82‡‡	101 [illegible]xd	+[illegible]	13.73	11.97
98⅞	94¼	Treas. Variable '82‡‡	98 [illegible]	+[illegible]	12.25	13.14
95⅝	86⅛	Treasury 8¼pc '82	95⅝	+⅛	8.65	12.88
95⅞	86⅞	Exch. 9¼pc 1982	95½xd	+[illegible]	9.68	12.53
94¾	85	Exch. 8¾pc 1983	94½	+[illegible]	9.25	12.14
89	76½	Exch. 3pc 1983	88⅞	+⅛	3.37	9.32
99⅝	90⅞	Treasury 12pc 1983‡‡	99xd	.....	12.12	12.59
96⅞	90⅝	Treas. Variable '83‡‡	96⅞	+¼	12.43	13.70
93⅞	84½	Treasury 9¼pc '83	93 [illegible]	.....	9.89	12.53
102¼	94¼	Exch. 13½pc '83	101 [illegible]	.....	13.30	12.81
93⅞	84½	Exch. 10pc 1983	93 [illegible]	.....	10.70	12.85
87	76½	Funding 5½pc '82-84‡‡	87	+¼	6.32	10.89
97 [illegible]	87¼	Exch. 11¼pc 1984	96	.....	11.72	12.91
104 [illegible]	94½	Exchequer 14pc 1984	102 [illegible]	+[illegible]	13.63	12.93
80½	68¾	Exch. 3pc 1984	80½	+¼	3.72	10.30
[illegible]						

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

1980-81 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
37	21	Acmex 50c	35	......	Q2.5c	—	3.8
28	12	AGM 20c	16	+2	—	—	—
19	14	Argosy Gold NL 25c	14	......	—	—	—
*199	46½	Bond Corp.	140	−10	Q7½c	1.9	2.7
156	76	Bougainville I Kina	80	......	Q26.2c	ϕ	17.0
*350	216	CRA 50c	218	......	Q19c	ϕ	4.5
25	11½	Canada Northwest	17½	......	—	—	—
42	8	Carr Boyd 20c	19	+2	—	—	—
545	152½	Central Pacific	235	+15	—	—	—
36½	9¼	Cons. Gold Min. N.L. 50c	35	......	—	—	—
47	17	Coltos Pacific N.L.	39	......	—	—	—
52	20	Eagle Corp. 10c	26	−1	—	—	—
41	15¼	Endeavour 20c	35	......	—	—	—
600	175	G. M. Kalgoorlie 25c	320	+10	†Q13c	ϕ	2.1
46	13	Great Eastern	16½	......	—	—	—
*275	117	Hampton Areas 10p	212	+2	†2.5	2.4	1.7
*168	30	Haoma Gold N.L.	100	+4	—	—	—
95	15	Intl. Mining	45	−3	—	—	—
390	11	Kitchener NL 25c	155	+10	—	—	—
720	55	Leichardt Expln.	60	+5	—	—	—
500	300	Meekatharra	380#	......	—	—	—
48	7	Metals Energy	14	......	—	—	2.6
91	41	Metals Ex. 50c	50	......	¶Q3c	2.9	2.9
39	8½	Metramar Mins. 20cts.	21	−1	—	—	—
284	150	M.I.M. Hldgs. 50c	195	+1	‡‡Q7.6c	1.7	‡
26	7	Minefields Expl. 25c	13	......	—	—	—
155	60	Mount Lyell 25c	95	......	ϕ†Q15c	1.7	8.2
28	14	Newmetal 20c	14	......	—	—	—
69	13	Nickelore N.L.	47	−2	—	—	—
214	137	North B. Hill 50c.	157	+1	Q18c	3.1	6.0
*106	31	Nth. Kalgurli	52	+2	—	—	—
165	90	Nth. Mining Corp.	114	+4	—	—	—
*144	24	N. West Mining N.L.	56	+1	—	—	—
*132	52	Oakbridge 50c	122	......	†Q12c	1.1	5.1
200	70	Otter N. L.	155	......	—	—	—
240	128	Pacific Copper	172	......	—	—	—
620	255	Pancont'l 25c	555	+5	—	—	—
78	42	Paringa M&Ex 5p	46	......	—	—	—
625	335	Peko-Wallsend 50c	400	......	ϕQ22½c	ϕ	2.9
230	85	Seltrust A	300	+10	—	—	—
206	57½	Southern Pacific	93	+8	—	—	—
100	31	Swan Resources 20c.	50	......	—	—	—
34	8	West Coast 25c	11½	......	—	—	—
332	177	Westn. Mining 50c.	239	+1	Q14c	1.6	3.0
45	10	Westmex	19	......	—	—	—
108	50	Whim Creek 20c.	54	+4	—	—	—
101	10½	York Resources	83	+1	—	—	—

Tins

1980-81 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	10	Amal Nigeria 1p	13	......	‡‡6.0	—	—
370	255	Ayer Hitam $M1	300	......	‡Q20.5c	1.8	‡
72	42	Beralt Tin	62	−4	4.5	3.2	10.4
388	149½	Berjuntai $M1	255	−5	Q85c	ϕ	6.7
230	135	Geevor	135	......	†8.4	1.9	‡
12½	8	Gold & Base 12½p	9	......	—	—	—
810	310	Gopeng Cons.	610	......	30.0	1.8	7.0
450	280	Hongkong	400xd	......	21.0	ϕ	7.5
145	90	Idris 10p	123	......	26.0	ϕ	7.0
15	12½	Jantar 12½p	15	......	1.5	ϕ	14.3
118	64	Kamunting $M0.50	98	......	‡Q80c	1.8	‡
675	150	Killinghall $M1	675	......	Q100c	ϕ	2.9
128	48½	Malay Dredging 10c	114#	......	ϕ‡Q38c	0.9	6.4
43	26	Pahang	40	......	0.44	0.3	1.6
120	83	Pengkalen 10p	98	......	3.5	0.6	5.1
415	230	Petaling $M1	380	......	Q180c	ϕ	9.2
44	18	South Crofty 10p	21	......	‡1.0	ϕ	‡
305	200	Sungei Besi $M1	218	......	‡Q480c	1.1	‡
115	22½	Supreme Corp. $M1	110	......	‡Q15½c	ϕ	2.7
125	90	Tanjong 15p	117	......	21.5	ϕ	1.9
115	78	Tongkah H. Tin $M1	85	......	Q23%	0.4	5.4
480	220	Tronoh $M1	385	......	‡Q250c	0.7	‡

Copper

1980-81 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
260	130	Messina R0.50	298	......	Q45c	4.7	11.2

Miscellaneous

1980-81 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
180	78½	Anglo-Dominion	157	+7	—	—	—
97	40	Barymin	45	......	—	—	—
17	12	Burma Mines 10p	14½	......	0.62	1.1	6.2
445	53	Colby Res. Corp.	211	+1	—	—	—
502	200	Cons. Murch. 10c.	230	......	†Q30c	1.8	7.5
180	75	††Hemerdon 10c.	85	......	—	—	—
225	36	Highwood Res.	155	−5	—	—	—
585	300	Northgate C$1	380	−5	—	—	—
*486	322	R.T.Z.	417	−3	†16.0	3.2	5.5
£115	£93½	Do. 9½% Cu.Ln. 95-2000	£102	......	Q9½%	—	†9.6
143	91	††SPO Minerals 10p	142	......	—	—	—
58	26	Sabina Inds. C$1	34	+2	—	—	—
51	29	††SWCM 10p	30	+2	—	—	—
650	411	Tara Expln. $1	480	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

[illegible]

REGIONAL MARKETS

[illegible]

OPTIONS

3-month Call Rates

[illegible]

"Recent Issues" and "Rights" Page 36

[illegible]

FINANCIAL TIMES
Thursday March 5 1981

Boeing to launch new 737 version

By Michael Donne, Aerospace Correspondent

BOEING of the U.S., which is spending up to $2bn (£913m) on launching its 757 and 767 twin-engined jet airliners, is on the verge of bringing out another aircraft—an improved version of its short-range 737 jet called the 737-300.

The first order for 10 to 15 *aircraft at about $15m each* is expected to be announced today by U.S. Air.

Other U.S. airlines are likely to follow suit and several overseas operators are ready to buy.

Boeing will spend up to $250m on development to put new wings on the 737, increase fuselage length and put new engines (two Franco-U.S. Snecma-General Electric CFM-56s) underneath the wings. The aircraft will be ready for service in about three years.

***The 737-300 will seat up to* 140 passengers in an all-tourist version, compared with about 125 in the 737s. The 737 will continue in production for a time, giving a choice of models.**

Boeing is embarking on the new version because of the need for improved fuel-efficiency in the mid to late 1980s due to soaring fuel costs. This means installing new engines.

At one stage, Boeing was interested in the new Rolls-Royce/Japanese RJ-500 engine for the 737-300. This will not be available for some time—probably 1984 or later—so it had to opt for the readily-available CFM-56 of about 20,000 lbs thrust.

It may offer the RJ-500 as an alternative when that becomes available.

Boeing foresees a market of several hundred 737-300s, worth several billion dollars, through the 1980s.

Work on the 757 and the larger 767 is being pushed ahead rapidly. The first 767 is expected to make its maiden flight this year, the 757 about six months later. Firm orders for 757s stand at 129 aircraft, and for 767s at 166, with substantial options held for both.

China plans overseas bond

BY RICHARD C. HANSON IN TOKYO

CHINA plans to issue her first overseas bond next summer with a Y10bn (£22m) private placement in Japan.

The issue is expected to be handled by the China International Trust and Investment Corporation through a syndicate led by Nomura Securities, Daiwa Securities and the Bank of Tokyo.

The Chinese are believed to be looking for a maturity of about 15 years.

The issue, awaited for some time in the Tokyo banking world, would be a major strengthening of Peking's links with the international capital markets, and more such issues are expected.

Japanese underwriters say a Chinese issue will be treated as any other commercial placement, though they concede that "friendly diplomacy" may be involved in securing it a place *in the queue for private placements.*

Japan reopened the market for private yen placements only last year. Under guidelines laid down by the Japanese authorities, China's lack of experience in international fund-raising disqualifies her from making a public offering.

China plans to come to the Samurai market despite the fact that she appears to be having difficulty in using trade-related credit lines she already has with Japanese and Western banks.

It is not yet clear how the Chinese intend to use the funds raised in Japan. The investment corporation is known mostly for its role in forming joint ventures with froeign companies in China.

China's interest in making an overseas bond issue pre-dates her present economic troubles.

In the past year or so, China has studied ways of involving herself more in the international capital markets, which Japan appears the most attractive to Peking.

Yen interest rates are comparatively *low* compared with other currencies.

The Chinese placing is expected to be made in July or August.

Lonrho in fresh Observer moves

BY JOHN MOORE

LONRHO, THE multinational trading conglomerate, has revamped its bid plan for The *Observer newspaper in an effort* to avoid a Monopolies and Mergers Commission reference by Mr. John Biffen, Trade Secretary.

Under the new deal, Atlantic Richfield, the U.S. oil group which owns the Observer, is to receive £3m in cash from Lonrho and a 20 per cent holding in Lonrho's George Outram newspaper publishing subsidiary in exchange for its 100 per cent ownership of The Observer.

In the original arrangement, announced last week, Antlantic Richfield would have acquired a 40 per cent stake *in* Outram, which publishes the Glasgow Herald, in exchange for The Observer. No hard cash would *have been involved in the transaction.*

Studying

If a newspaper or newspaper group changes control, or a stake of more than 25 per cent is built up in a newspaper, the deal has to be considered by the Trade Secretary. Unless he is satisfied that the company is "not economic as a going concern," any plans for a change of control would have to be passed to the Commission, for examination.

Lonrho's Observer bid could *have been* to the Commission on two counts: first because of the 40 per cent stake Atlantic Richfield was to have acquired in Outram, and, *second*, because of Lonrho's acquisition of The Observer itself.

Lonrho hopes to have removed the Outram side of the deal from the threat of Government *intervention.*

The Department of Trade said yesterday that it was studying the developments closely.

The National Union of Journalists' chapel (office branch) at *The Observer has already called* for the bid to be referred to the commission.

Lonrho and Atlantic Richfield are working on their formal notices of the bid, which will be submitted to the Department of Trade, detailing the planned change of the Observer's ownership.

Until then the Trade Secretary is not expected to make any decision on the deal.

Mr. "Tiny" Rowland, Lonrho's chief executive said after an extraordinary general meeting of Lonrho shareholders in London yesterday called to approve a future bid for House of Fraser: "The Government cannot deny us ownership of The Observer."

He said most of the papers Lonrho owns have expanded. "The Observer is at best breaking even. We will give it a lot of support and perhaps the odd idea."

Lonrho clears obstacle, Page 24

Banks in conflict over plan for world-wide traveller's cheque

BY ALAN FRIEDMAN

DIFFERENCES OF opinion between European and American bankers have cast doubh on whether they will be able to agree on a proposed common traveller's cheque and payment card *system.*

The issue may come to a head this afternoon when the board of Euro-Traveller's Cheque International (ETCI), representing a majority of Europe's banks, meets in an effort to resolve the issue.

Conflict has arisen over a plan by the European banks to establish a world-wide traveller's *cheque network with the co-*operation of Mastercard, a New York-based plastic card organisation.

As recently as a month ago, the two groups claimed to be making progress on the traveller's cheque plan, as well as on negotiations between Mastercard and Eurocard, the European "travel and entertainment" card, with which it is affiliated.

But European bankers now claim Mastercard is not providing clear and workable proposals. International bankers meeting here see little chance of rapid agreement.

Mastercard, meanwhile, plans to launch its own U.S. dollar-*denominated* traveller's *cheque* on March 31. Despite this deadline, the Europeans appear to be in no hurry.

Programme

ETCI member institutions have about 60,000 branches in Europe, and with thousands of correspondent branches in North America, the Europeans say they are prepared to "stand alone" if necessary and to market their traveller's cheque without the help of Mastercard.

American Express is the current market leader, with more than 50 per cent of world traveller's cheque business. But the European banks claim they can obtain 18 per cent as soon as their programme is under way.

American Express says it is holding discussions with groups of banks in Europe over "forms *of co-operation which will be* mutually beneficial."

American Express announced last week that it had concluded an agreement with the German Savings Bank Association under which about 13,000 branches will give preference to American Express cheques.

VISA, the California credit-card group, yesterday announced that it is introducing a French franc traveller's cheque on behalf of two French banks.

Details, Page 37

BL expects to shed 20,000 more jobs

By John Griffiths

BL EXPECTS to shed between 20,000 and 24,000 more jobs in the UK in the next two years, bringing total BL employment down to about 100,000, Sir Michael Edwardes, chairman, said yesterday.

Up till now BL's labour force had not been expected to fall below 110,000.

Sir Michael told the Commons Select Committee on Industry and Trade that after the bottom of the jobs trough was reached at the end of 1982, there would be some growth in employment. But BL would not return to anything like its size in the early 1970s, since when capacity has been cut by 300,000 units a year.

"The right course for BL is to settle for survival and not be too ambitious again," he said.

Sir Michael disclosed that about 5,000 more jobs have already been lost than previously reported. A total of 57,000 had gone since he took over as chairman in November 1977, bringing the current total UK jobs down to about 120,000.

In the immediate future, about 800 jobs are to go at *Cowley, where production of* the Morris Ital is being cut by a third.

Sir Michael said that, with other major manufacturers in Europe facing increasing difficulties and competition from Japan, "The other major companies in Europe will shortly envy us for having started our own slimming down at an early stage."

Sir Michael, who was answering questions on the Government's decision to inject a further £990m into BL over the next two years and another £150m in 1983-84, stressed the problems caused to BL by the strength of sterling which had had a "traumatic" impact.

BL's exchange rates and inflation assumptions for the 1980 plan had not been challenged by the Government, but had been thought to be rather conservative. If the assumptions had pertained, the company performance would have been improved by £1.7bn. The extra funds the Government had agreed to provide would not have been needed.

Call to publish public accounts

BY ROBIN PAULEY

ALL RECIPIENTS of public money including the National Enterprise Board, the British National Oil Corporation and all nationalised industries should be forced to open their books, accounts and records to scrutiny by Parliament, the Commons Public Accounts Committee said yesterday.

Mr. Joel Barnett, chairman of the all party committee, said: "There is a very simple principle here. The use of money voted by Parliament—public money—must be held accountable to Parliament."

The committee therefore recommends legislation to create a new and enlarged National Audit Office with the Comp*troller and Auditor* General in charge.

This office should have the right to:

- Audit all grant-financed *bodies mainly supported* by public funds. Their accounts would be laid before Parliament.
- Access to the books of other Government financed non-departmental bodies so that a report could be made to Parliament.
- Access to the books and records of all nationalised industries and public corporations including the NEB and BNOC so a report could be made to Parliament.
- Insist on access to books and records of privately-owned companies and bodies (whether of a commercial nature or not) as a condition of receiving grants or loans voted by Parliament.
- Take over the external audit of health authorities from the Health Department.

The new department would take in the 800 staff of the Comptroller and Auditor General's Exchequer and Audit Department together with the 600 staff in the Local Government District Audit Service.

This would remove the district audit service fro mthe Environment Department end reports on matter arising out of local authority audits would in future be made to Parliament.

Legislation is also recommended to create a public Accounts Commission consisting of members of the Commons including the chairman of the Public Accounts Committee.

Mr. Barnett agreed that the report's findings were contrary to the views expressed by all the local authority associations, the Environment Secretary, the former head of the National Enterprise Board, heads of nationalised industries and the Comptroller and Auditor General himself.

The Confederation of British Industry said yesterday that it *was* disappointed that the committee had rejected the idea of an independent auditing accounts commission on the lines proposed by Mr. Michael Heseltine, the Environment Secretary, when he became the first Cabinet Minister this century to appear before the committee.

Blue Circle expands

BY MICHAEL CASSELL

BLUE CIRCLE INDUSTRIES announced a £33m expansion programme yesterday for its cement manufacture in Chile.

The programme, to be funded outside the UK, is one of the group's largest overseas investment plans, and will raise its capacity in Chile from about 800,000 tonnes a year to 1.25m by 1983.

The investment is in Fabrica de Cemento El Melon, which controlled since 1979 by Blue Circle. The group paid £21.5m for an 82 per cent stake in it.

Blue Circle's stake has since risen to 96 per cent, the remaining equity shared between 2,000 investors.

El Melon *operates from La Calera*, 70 miles north-east of Santiago. It produces about 750,000 tonnes a year. The two-phase development programme will need a new 5,750-horsepower cement mill and an extra kiln.

Announcing the expansion plan Mr. Richard Cheney, managing director of the Chilean subsidiary, said the increased cement output would help meet growing demand and curtail need for imports.

Candu reactors

THE Canadian-designed Candu reactors for nuclear power stations so far have been supplied to four other countries besides Canada. Yesterday's report about nuclear power stations in Romania incorrectly said the system had not been sold outside Canada.

Richer

Continued from Page 1

the population on the lowest incomes accounted for 23.6 per *cent of total* incomes in 1978-79, down *from* 23.9 per cent in 1977-78 and the lowest percentage for seven years.

The Central Statistical Office cautions that the statistically-recorded income of the poorest income groups are reduced by the inclusion of people like immigrants, emigrants, work entrants and widows, who may be on the tax rolls only for part of the year. But while this might increase the apparent inequality of distribution, it is unlikely to make much difference to year by year trends.

After taxation, the bottom 50 per cent income group increased their share of total incomes to 26.2 per cent in 1978-1979. But this was still down from 26.5 per cent in 1977-78.

Their after-tax incomes increased by 13.9 per cent from 1977-78—compared with 15.2 per cent for the poulation as a whole and a range of 14 to 16 per cent for the top income brackets.

The 25 per cent of the population on the highest incomes derived 90 per cent of their income from employment and self-employment. But for the poorest 25 per cent, two-thirds of total pre-tax incomes came from pensions and non-taxable benefits.

The top 1 per cent income bracket accounted for 5.3 per cent of pre-tax incomes in 1978-79, down from 5.5 per cent the previous year.

Their declining share over the past 30 years has been mainly to the benefit of the middle-income groups.

Weather

UK TODAY

Showery and cloudy. Snow in Scotland.

London, S.E., E. Cent., S. England, Midlands
Possible freezing fog early. Wintry showers. Max. 7C (45F).

S.W. England, S. Wales, N. Ireland
Rain at times. Cold. Max. 8C (46F).

Rest of England except N.E., N. Wales, Isle of Man, S.W. Scotland
Occasional showers, cloudy. Max. 6C (43F).

Elsewhere
Snow showers. Sunny intervals. Max. 4C (39F).

Outlook
Unsettled.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	13	55	L. Ang.†	C	13	55
Algiers	F	17	63	Luxmbg.	C	1	34
Amsdm.	C	3	37	Luxor	S	25	77
Athens	F	18	64	Madrid	F	12	54
Bahrain	S	19	66	Majorca	F	16	61
Barclna.	S	16	61	Malaga	S	20	68
Beirut	S	16	61	Malta	C	15	59
Belfast	C	3	37	M'chstr.	C	3	37
Belgrd.	C	7	45	Melbne.		—	—
Berlin	C	1	34	Mex. C.†		—	—
Biarritz	S	12	54	Miami†	C	20	68
Bmghm.	C	1	34	Milan	F	10	50
Blackpl.	F	5	41	Montrl.†	F	−12	10
Bordx.	C	9	48	Moscow	S	−2	28
Boulgn.	C	4	39	Munich	Sl	1	34
Bristol	C	3	37	Nairobi	F	29	84
Brussels	C	1	34	Naples	C	14	57
Budpst.	C	3	37	Nassau		—	—
Cairo	S	23	73	Nwcstl.	C	5	41
Cardiff	F	4	39	N York†	F	−3	27
Cas'b'ca	C	17	63	Nice	S	15	59
Cape T.		—	—	Nicosia	F	16	61
Chicg.†	R	1	34	Oporto	F	14	57
Cologne	C	3	37	Oslo	F	−2	28
Cpnhgn.	S	−1	30	Paris	C	4	39
Corfu	C	15	59	Perth	F	24	75
Denver†	Sn	1	34	Prague	Sn	0	32
Dublin	C	5	41	Rykjvk.	Sn	−4	25
Dbrvnk.	F	12	54	Rhodes	C	15	59
Ednbgh.	C	5	41	Rio J'o†		—	—
Faro	S	16	61	Rome	S	15	59
Florence	F	11	52	Salzbrg.	R	2	36
Frankft.	C	3	37	S F'cisc†	C	11	52
Funchal	S	19	66	S. Moritz		—	—
Geneva	C	6	43	Singapr.		—	—
Gibraltar	S	18	64	S'tiago†		—	—
Glasgow	C	4	39	Stckhm.	S	−2	28
G'rnsey	C	6	43	Strasbg.	C	5	41
Helsinki	F	−5	23	Sydney		—	—
H. Kong	C	20	68	Tangier	F	16	61
Innsbrk.	R	3	37	Tel Aviv	S	19	66
Invrnss.	C	5	41	Tenerife	F	15	59
I.o.Man	C	4	39	Tokyo	R	8	46
Istonbul	C	13	55	T'ronto†	C	−3	27
Jersey	C	6	43	Tunis	F	16	61
J.'burg		—	—	Valencia	C	15	59
L. Plms.	S	19	66	Venice	C	8	46
Lisbon	F	15	59	Vienna	C	4	39
Locarno	S	15	59	Warsaw	S	5	41
London	C	4	39	Zurich	R	2	36

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl-Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

THE LEX COLUMN

The glister fades at Gold Fields

Consolidated Gold Fields' pre-tax profits have risen by 16 per cent at the half-way stage *to £76.2m, virtually unchanged* from the preceding six month period. Gold earnings are worth about half the total at £37.6m, more than twice the £18.1m of a year earlier; the gold price, averaged $639 an ounce over the period, compared with $362. The contributions from the base metal interests have tumbled with price levels, from £9m to £3.8m, while a fall in demand has hit Amey Roadstone in the UK and Azcon's steel distribution business in the U.S.

The gold price—down a further $8 yesterday to $464½—now, however, poses a threat to profits. Lags in dividend payments provide a buffer, but nevertheless the contribution from gold may be little better than £20m, against £35.7m. A slight pick-up may be seen at Amey, with £2m of redundancy costs out of the way in the first half, while the new drilling rig manufacturer in the U.S. should continue to improve. However, the company will be leaning heavily on the £24m of profits from the sale of North Broken Hill—taken above the line—as well as the interest on the £181m November rights issue money to take pre-tax earnings towards £170m or so, against £141.9m.

Meanwhile, the extent of Gold Fields' opportunism in its rights issue is becoming even more obvious. Four months on it has still got no further than making "investigations . . . into the opportunities available". Shareholders who subscribed for their rights at 500p, against a current share price of 425p, may feel less inclined than the Gold Fields' management to take a long term view. With Anglo American/De Beers' stake at about 29 per cent, there is little to stop the share price sliding further even a 16 per cent increase in the interim dividend left the shares unmoved yesterday.

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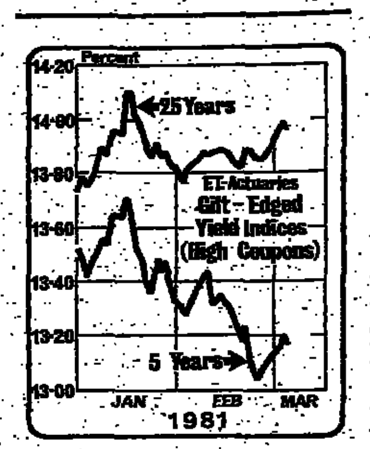
Money markets

The money markets seem to be negotiating the payment of very large oil taxes this week quite comfortably, thanks to a loan—perhaps £1½bn—to the discount market from the Bank of England. It is a loan the Bank would have preferred not to make: since last November it has conducted its open market operations almost exclusively through the purchase and sale of eligible bills.

Several problems, apart from the bunching of tax payments

Index rose 3.8 to 500.0



(which the Treasury intends to remedy) have made this strategic retreat necessary. The reduction in the reserve asset ratio from 10 to 8 per cent, designed to help tide the market over a difficult week, does not seem to have had the desired effect on liquidity. The reserve asset "call" money that banks deposit with discount houses is increasingly left on the understanding that it is not repayable on demand. The banks could not get their money back quickly.

It cannot be long before the outdated definitions of eligibility in the bill market are widened to make more bills presentable for rediscount, which would give the authorities a wider pool in which to operate. And under a more flexible interest rate regime there should be fewer problems of market unwillingness to sell paper to the Bank, as there have been this week ahead of the expected interest rate cuts in the Budget.

General Accident

On the lines of a beauty contest, the major composite insurance groups are this year declaring their results in increasing order of attractiveness. Commercial Union's pre-tax profits were down by a quarter for 1980 and Royal's by 7 per cent, but now General Accident has reported an improvement of 7 per cent to £92.3m. Rather larger gains are likely to be reported in due course by the likes of Eagle Star, Guardian Royal Exchange and Sun Alliance.

Exposure to the UK insurance market—and especially personal business—is the key to success in current conditions. Thus General Accident earned almost half its premiums in the UK in 1980, partly because the strength of sterling devalued its overseas operations; its UK underwriting losses improved some £8m to just £2.4m, helped by the impact of favourable weather on motor and household claims experience in the final quarter.

Elsewhere GA confirms the pattern of a modest deterioration in the U.S., and a far worse picture in territories like Canada, Australia and Continental Europe—these jointly contributing 2.5 times the underwriting losses of the UK and U.S. combined, on less than a fifth of the premium income. Some of this deterioration is underwriting experience is being offset by healthy gains in investment income—by some per cent for GA in 1980. But there are few signs of an improvement in underwriting in most countries, and indeed it seems inevitable that the U.S. will continue to worsen through 1981.

As for the UK, a sharp distinction can be drawn between commercial and personal business. The former is under heavy pressure, with the recession causing a shrinkage in the volume of business. But the indexing of household insurance premiums is leading to a rather dramatic recovery in this business, while the motor account also seems to be satisfactory at present.

Given a little help from sterling, GA could well show higher profits again in 1981 and there *is cover of three times to* accuality to a yield of 6.1 per cent at 324p.

Birmid Qualcast

Birmid Qualcast's accounts show a company battling bravely against steeply declining volume. Working capital has been held virtually unchanged following a marginal decline in nominal turnover.

Within stocks, though, the proportion of finished goods is up from a third to a half. And the creditors position includes £5.3m of unspent closure costs, an *increasingly* familiar feature of company balance sheets—it was £72m in the case of ICI.

The outflow of this cash since the year end will to some extent be offset by sales of stocks from businesses which have been closed, notably Birmetals. Birmid also has plenty of property up for sale, although as the chairman remarks, "Current market conditions are not conducive to good prices for sales of assets," especially when the assets consist of industrial property in the Midlands.

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